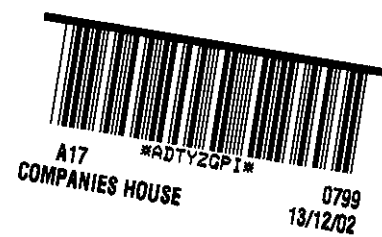


Lend Lease Urban Regeneration Limited
(formerly Overgate Feeder GP Limited)

**Directors' report and
financial statements**

30 June 2002

Registered number 3904306



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2002. On 17 April 2002, the company changed its name from Overgate Feeder GP Limited to Lend Lease Urban Regeneration Limited.

Principal activities

The company is involved in property development and investment activities.

Results and dividends

The company received no income nor incurred any expenses during the year. Consequently a profit and loss account is not presented (2001: £nil).

Directors and directors' interests

The directors of the company were as follows:

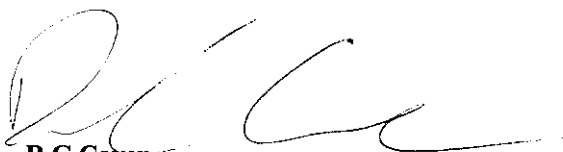
AL Gough	
R G Caven	
D K Perry	(appointed 8 April 2002)
H W Martin	(appointed 8 April 2002)
G I M Cockburn	(resigned 8 April 2002)

None of the directors who held office at the end of the financial year, or their families and family trusts, had any disclosable interest in the shares of the company. In accordance with section 324 of the Companies Act 1985, holdings in the share capital of other group companies are not disclosed.

Auditors

Our auditors KPMG have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LLP. Accordingly, they resigned as auditors of the company and the directors appointed KPMG LLP to fill the vacancy arising with effect from 10 June 2002. A resolution for the appointment of KPMG LLP as auditors of the company is to be proposed at a forthcoming General Meeting.

By order of the board



R G Caven
Director

23 Kingsway
London WC2B 6UJ
25 November 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This statement should be read in conjunction with the statement of auditors' responsibilities set out in the audit report on page 3.

Independent auditors' report to the member of Lend Lease Urban Regeneration Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors

8 Salisbury Square
London
EC4Y 8BB
25 November 2002

Balance sheet


at 30 June 2002

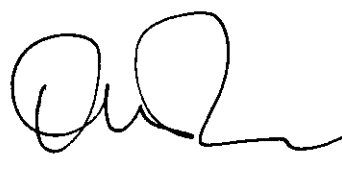
	Note	2002 £	2001 £
Current assets			
Debtors	4	1	1
Work in progress	5	1,113,000	-
Total assets less current liabilities		1,113,001	1
Creditors: amounts falling due after more than one year	6	(1,113,000)	-
Net assets		1	1
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		-	-
Equity shareholders' funds		1	1

The company received no income nor incurred any expenses during the year. Consequently a profit and loss account is not presented. There were no recognised gains or losses for the year.

The notes to and forming part of the financial statements are set out on pages 5 to 7.

These financial statements were approved by the board of directors on 25 November 2002 and were signed on its behalf by:


R G Caven
Director


D K Perry
Director

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has applied the provisions of Financial Reporting Standard No 19 'Deferred tax' for the first time in the year.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. In accordance with Financial Reporting Standard No 19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

Cash flow statement

A cash flow statement is not included with these financial statements as a consolidated cash flow statement, produced under Financial Reporting Standard No 1, is included in the financial statements of Lend Lease Europe Holdings Limited.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related Party Disclosures' in order to dispense with the requirement to disclose transactions with other group companies.

2 Auditors' remuneration

Auditors' remuneration is borne by Lend Lease Europe Limited, a company within the Lend Lease Europe Holdings group.

3 Directors' remuneration and employees

The directors did not receive any emoluments in respect of their services to the company (2001: £nil).

The company did not employ any staff during the year (2001: nil).

Notes to the financial statements (continued)

4 Debtors

	2002 £	2001 £
Amounts owed by Lend Lease Europe Limited	1	1
	<u> </u>	<u> </u>

5 Work in progress

	2002 £	2001 £
Land options	1,113,000	-
	<u> </u>	<u> </u>

Work in progress represent the cost of land options purchased by the company from Newcastle City Council as part of the Newcastle Private Finance Initiative scheme. Based on the value of the land under option the carrying value is considered appropriate.

6 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Other creditors	1,113,000	-
	<u> </u>	<u> </u>

Other creditors are due to Newcastle City Council for the difference between the proceeds on sale of land in Newcastle guaranteed by the company, and the contracted sale of land to third parties. This amount will be payable by September 2004.

7 Called up share capital

	2002 £	2001 £
<i>Authorised</i>		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1 each	1	1
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

8 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's immediate parent undertaking is Lend Lease Europe Retail Investments Limited which is registered in England and Wales. The ultimate parent undertaking of the company is Lend Lease Corporation Limited which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of that group may be obtained from the group's website at www.lendlease.com.au.

The smallest group in which the results of the company are consolidated is that headed by Lend Lease Europe Holdings Limited. Consolidated financial statements may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.