

15 June 2006

The Chairman
 Australian Accounting Standards Board
 PO Box 204
 Collins Street
 West Victoria 8007

Lend Lease Corporation
 Limited

ABN 32 000 226 228

Level 4
 30 The Bond
 30 Hickson Road
 Millers Point NSW 2000
 Australia

Telephone
 (612) 9236 6111

Facsimile
 (612) 9383 8105

www.lendlease.com

Dear Sir,

ED 148-Proposed Amendments to AASB 101
Presentation of Financial Statements: A revised Presentation

Lend Lease Corporation Limited (Lend Lease) has considered the proposals in Exposure Draft 148 (ED 148), in relation to the proposed amendments to AASB 101 *Presentation of Financial Statements*. Lend Lease has followed the suggested outline for 'The Request for Comments' in the Exposure Draft (ED) and so has provided comment on both the questions outlined in the IASB Exposure Draft and the Specific Matters for Comment as outlined by the AASB. We are pleased to provide our principle views in respect of the proposals, for consideration by the AASB.

Lend Lease is a leading international retail and residential property group, integrated with strong investment management and construction management businesses. Lend Lease is listed on the Australian Stock Exchange.

In summary, our views are outlined below, although we provide our full responses to the questions in the IASB Exposure Draft and the AASB Specific Matters for Comment in the Appendix attached to this submission.

- We agree with the proposed titles of the financial statements, except the statement of financial position, which we believe should remain named the "balance sheet".
- We do not agree that the titles of the statements should not be mandatory, as this could become confusing for users in the case that preparers use different titles for the same statements, in each of their financial statements.
- We believe the possible variation in titles of the statements takes away from the value of the title of the statement in reflecting its function.
- We agree that owner and non-owner changes in equity should be presented in different statements and that entities should be required to present components of recognised income and expense in two statements, that is, a statement of profit or loss and a statement of recognised income and expense, rather than one statement.
- We believe that in order to minimise confusion for users, there should not be a choice of presentation between one or two statements in the presentation of recognised income and expense.
- We agree with the disclosure of reclassification adjustments between recognised income and expense and profit or loss, including the related income tax on each component, but for consistency we believe that these disclosures should be made in the notes to the financial statements only.
- We agree that a balance sheet as at the beginning of the period should be a part of a complete set of financial statements, although, we do not agree with the presentation of three balance sheets in a set of financial statements.
- We do not see the value to users of a balance sheet from two years prior to the current reporting period. In our opinion, errors and changes in accounting estimates, which effect prior period(s) are a rare occurrence that can be adequately reported in the notes to the financial statements and we believe that any retrospective transition adjustments related to changes in accounting policies can also be adequately reported in the notes to the financial statements.

- In our opinion the cost of producing an additional column in the balance sheet exceeds the benefit to users. As an example, in the case that there are future convergence programs, with the FASB or other regulatory bodies, we foresee a significant increase in reporting and compliance costs if three columns/years of numbers were reported as opposed to two in the balance sheet. We do not see this adds any value for the Company's Shareholders and users of financial statements and so is not in the best interests of the Australian economy.
- We generally agree with the AASB's views in relation to the Australian specific text inclusions and exclusions and other comments outlined in the ED, except the deletion of Paragraphs Aus126.3 and Aus126.7, in relation to economic dependency disclosures and capital and other expenditure commitments respectively.
- We believe the disclosures related to economic dependency and the disclosure of commitments by time bands is valuable information for users and so believe these paragraphs should be retained or appropriate amendments made to the standard to retain these specific requirements.

Should you require any further clarification or information please contact Daniella Osborne via email at daniella.osborne@lendlease.com.au or via telephone at (02) 9277 2353.

Yours faithfully,



Michelle Letton
Group Chief Accountant
Lend Lease Corporation Limited

Appendix 1- Request for Comments

1. Comments on the proposed amendments to IAS 1 as listed in the IASB ED

Information	Question	Comment
Question 1 The ED proposes that the titles of the financial statements should be as follows: a. statement of financial position (previously sheet) b. statement of recognised income and expense c. statement of changes in equity d. statement of cash flows (previously statement) The board does not propose to make the changes of nomenclature mandatory (see paragraph 31 of the draft Standard and paragraphs BC4 and BC5 of the Basis for Conclusions).	1. Do you agree with the proposed titles of the financial statements (bearing in mind that an entity is not required to use those titles in its financial statements)? If not, why?	We agree with the proposed titles of the financial statements, except the statement of financial position, which we believe should remain named the The title balance sheet is a long-standing title, and universally recognised by users and shareholders. Under previous GAAP, users and shareholders continued to utilise the terminology balance sheet as opposed to the statement of financial position. Adopting the name balance sheet under AIFRS was a change that was embraced by the accounting professions, users and shareholders. Refer to the comments below in relation to the statement of profit or loss. In addition, we do not agree with the comment at paragraph 31, that this [draft] standard. We believe this comment results in the ability for preparers to use any name of their choice for the different statements in their set of financial statements. The use of different names for the same statements by different preparers could be unwieldy and confusing for users and also takes away from the value of the names of the statements in reflecting their function.

Information	Question	Comment
Question 2 The ED introduces a requirement to present a statement of financial position as at the beginning of the earliest period presented in the financial statements. Therefore, in addition to notes, an entity would be required to present three statements of financial position, and two of each of the other statements that form part of a complete set of financial statements (see paragraphs 31 and 39 of the draft Standard and paragraphs BC3-BC9 of the Basis for Conclusions).	2. Do you agree that a statement of financial position as at the beginning of the period should be part of a complete set of financial statements, and that an entity presenting comparative information should therefore be required to present three statements of financial position in its financial statements? If not, why?	We agree that a statement of financial position as at the beginning of the period should be part of a complete set of financial statements, but do not agree that an entity presenting comparative information should be required to present three statements of financial position in its financial statements. We do not agree with the presentation of three statements of financial position, primarily for the following reasons: 1. We (and many other preparers) present our consolidated and separate financial statements together. This requirement would therefore result in the need to present six columns of statements on the one page, which would create presentation difficulties. 2. More importantly, we do not see the relevance and hence the value to users of a statement of financial position from two years prior to the current reporting period, (except in the case where there have been adjustments to the prior period(s)), which generally occurs less frequently than not and in the case that they do occur, can be and would be adequately reported as part of the notes to the financial statements.

Information	Question	Comment
Questions 3 – 5 – Reporting owner changes in equity and recognised income and expenses The ED proposed to require entities to present all changes in equity arising from transactions with owners in their capacity as owners (ie: equity changes in equity -owner changes in equity and expense -owner changes in equity would be presented in either (a) a single statement of recognised income and expense, or (b) two statements: a statement displaying components of profit or loss and a second statement beginning with profit or loss and displaying components of other recognised income and expense (see paragraphs 81 and 82 of the draft Standard and paragraphs BC11-BC20 of the Basis for Conclusions).	3. Do you agree that non-owner changes in equity should be referred to as that an entity is not required to use the term in its financial statements)? If not, why? Is the terminology used in the Standard important if entities are permitted to use other terms in their financial statements? If so, what term would you propose instead of expense 4. Do you agree that all non-owner changes in equity (ie: components of recognised income and expense) should be presented separately from owner changes in equity? If not, why? 5. Do you agree that entities should be permitted to present components of recognised income and expense either in a single statement or two statements? If so, why is it important to present two statements rather than a single statement? If you do not agree, why? What presentation would you propose for components of recognised income and expense that are not included in profit or loss?	Yes, but refer comments above at question one in relation to the non-mandatory names of the different statements. Yes, we believe this separation reinforces the concept of reporting the performance of an entity separately from funding or distribution transactions We believe that entities should be required to present components of recognised income and expense in two statements and that there should not be a choice of presentation between one or two statements. We believe that a choice for preparers between presenting one or two statements would lead to confusion for users, as different sets of financial statements could have different numbers of statements presented. In addition a separate statement titled or loss performance of the entity.
Questions 6 & 7 – Other recognised income and expense – reclassification adjustments and related tax effects The ED requires the disclosure of reclassification adjustments relating to each component of other recognised income and expense (see paragraphs 92-96 of the draft Standard and paragraphs BC21-BC23 of the Basis for Conclusions).	6. Do you agree with this proposal? If not, why? 7. The ED requires the disclosure of income tax relating to each component of other recognised income and expense (see paragraph 90 of the draft Standard and paragraphs BC24 and BC25 of the Basis for Conclusions). Do you agree with this proposal? If not, why?	We agree with this disclosure, but once again, to minimise confusion for users, we believe that there should not be a choice of where these reclassification adjustments are disclosed i.e. either on the face of the statement or in the notes to the financial statements. We believe they should be required to be disclosed in the notes to the financial statements. Yes. Once again as per question 6 above, we believe these disclosures should be made in the notes to the financial statements.

Information	Question	Comment
Question 8 – Presentation of per-share measures The ED does not propose changes to IAS 33 <i>Earnings per Share</i>. Therefore, earnings per share will be the only per share measure presented on the face of the statement of recognised income and expense. If an entity presents any other per-share measure, that information is required to be calculated in accordance with IAS 33 and presented in the notes (see paragraph BC26 of the Basis for Conclusions).	8. Do you agree that earnings per share should be the only per-share measure that is required or permitted to be presented on the face of the statement of recognised income and expense? If not, which other per-share measure should be required or permitted to be presented on the face of a statement and why?	We believe that in addition to the presentation of Earnings per Share on the face of the statement of recognised income and expense, presentation of statement, should also be permitted, as it is also a valuable earnings measure.

2.AASB - Specific Matters for Comment

Information	Comment
a) The AASB	
(i) the Australian text that is proposed to be retained in the [revised] AASB 101, as noted in section A of this Preface	We agree with the proposed Australian text to be retained, but note that there is confusion in ED 148 in relation to whether Aus1.5, Aus1.6 and Aus1.7 will be retained or deleted. Section A.1 proposes that these paragraphs will be retained, by reference to the proposed retention of Aus1.1 to Aus 1.10, whilst section B.1 notes that Aus1.5, Aus1.6 and Aus1.7 will not be included in the [Revised] AASB 101. We understand that the intention is that these paragraphs are to be deleted, but this is unclear.
(ii) The Australian text that is proposed not to be included in the [revised] AASB 101, as noted in section B	We agree with the deletions of Aus text, other than as noted below: 1. Deletion of Para Aus11.1. We believe this has no major effect as this part of the definition of is very similar to that of the first paragraph of [revised] IAS 1, paragraph 7. Refer further comments below at (b) in relation to the specific question on the adoption of the IAS definition of 2. Deletion of Para Aus126.3- Economic dependency We understand that this paragraph has been deleted as the IASB has never and still doesn't this disclosure. Although, we believe this disclosure is valuable information for users and so despite being an Australian specific requirement, we believe this paragraph should be retained. 3. Deletion of Para Aus126.7-Capital Commitments and Other Expenditure Commitments We understand that the requirement to disclose commitments on an overall basis is retained in the [revised] IAS standard at paragraph 114 (d)(i), although we do not believe that this disclosure is as useful as the disclosure of commitments by the time bands currently required by paragraph Aus126.7. Hence, we suggest that either Aus 126.7 is retained or that another Aus addition is made to require this disclosure in the time bands currently required.
(iii) The deletion that is made by the AASB in the existing AASB 101 that is proposed to be reinstated in the [revised] AASB 101, as noted in section C	We agree.
(iv) The deletions made by the AASB in the existing AASB 101 that are proposed not to be reinstated, as noted in section D	We agree.

Information	Comment
b) The AASB purpose financial report notes that the second paragraph of the definition proposed that financial statements include those that are presented separately or within other public documents such as a regulatory filing or report to shareholders. statement could be interpreted as defining all financial reports filed with a regulator on a public register to be general purpose financial reports, which would include those that are filed with, for example, the Australian Securities and Investments Commission, whether or not the entities are reporting entities	As outlined above at a)(ii), we do not believe that adoption of the definition of reports results in any change in the meaning of the definition. We agree that the statement at the second paragraph of the definition at paragraph 7 of the IASB ED, stating that other public documents such as a regulatory filing or report to shareholders, interpreted as defining all financial reports filed with a regulator on a public register, to be general purpose financial reports. Given that this is not correct with regards to the Australian reporting environment, we believe this comment does add ambiguity and confusion to this definition in an Australian context. We suggest that this paragraph is amended to eliminate this ambiguity either by specific Australian amendments (where it is only applicable locally) or in the International Standard where it could cause confusion in relation to various reporting environments internationally.
c) Whether certain entities should be required to prepare an additional comparative statement of financial position as proposed. These entities may include, for example	As per the comments above in relation to Question 2 of the IASB any preparers should be required to present three statements of financial position in their financial statements.
(i) Public sector entities (for example, general government sector): The AASB notes that three statements of financial position may create practical presentation difficulties for these entities. The AASB is particularly mindful of its proposal in ED 142 <i>Financial Reporting of General Government Sectors by Government</i> to require the presentation of an additional statement: the original budget for these entities	Refer comments above.
(ii) Entities required to prepare financial reports under Part 2M.3 of the Corporations Act that are not reporting entities	Refer comments above.
d) Whether the proposals give rise to any public sector entity issues that you believe require additional requirements or guidance in AASB 101. If yes, please describe the issues and provide reasons supporting your response	Not applicable to Lend Lease and hence no comment.
e) Any regulatory issues or other issues arising in the Australian environment that may affect the implementation of the proposals, particularly any issues relating to:	
(i) Not for profit entities	None noted.
(ii) Public sector entities	None noted.

Information	Comment
f) Whether the proposals are in the best interests of the Australian economy.	Displaying three columns/years of numbers in the statement of financial position/ balance sheet would result in increased costs in relation to internal resourcing and audit fees, which we believe is to no value and hence not in the best interests of the Australian economy. More importantly, in the case that there are future convergence programs, for example FASB, the implementation costs for all preparers would be a lot greater if three columns/years of numbers are being reported as opposed to two. This would result in the need to report four periods of numbers upon transition, which would require significantly more resources than if two columns/years of numbers are reported. Once again we do not see the value in this additional reporting and the compliance cost involved, which we estimate would be greater than A\$500,000 per disclosing entity.