

**Bovis Construction North Western Limited**

Directors' report and  
financial statements  
Registered number 989307  
30 June 2005



## **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 2005.

### Principal activities

The company's principal activity is as a development company. The development site at Filey Street, Bradford was sold during the year.

### Directors and directors' interests

Set out below are the directors who served during the year:

NC Martin  
AD Silverbeck

None of the directors who held office at the end of the financial year held any disclosable interest in group undertakings as recorded in the register of directors' interests.

Subsequent to the year end Mr A Panayi was appointed as a director effective 5 August 2005 and Mr A Cutts was appointed as a director effective 14 March 2006. Mr AD Silverbeck resigned as a director effective 9 August 2005 and Mr NC Martin resigned as a director effective 14 March 2006.

### Auditors

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at a forthcoming General Meeting.

By order of the board

  
**T J Jandran**  
Company secretary

142 Northolt Road  
Harrow  
Middlesex  
HA2 0EE

12 April 2006

## 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 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.

## KPMG LLP

PO Box 685  
8 Salisbury Square  
London  
EC4Y 8BB

### **Independent auditors report to the members of Bovis Construction North Western Limited**

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions that we have formed.

#### **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 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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP  
Chartered Accountants  
Registered Auditor



8 Salisbury Square  
London  
EC4Y 8BB

**Profit and loss account**  
*For the year ended 30 June 2005*

	<i>Note</i>	<b>30 June 2005</b> £	<b>30 June 2004</b> £
<b>Turnover</b>		-	-
Administrative income		-	-
		<hr/>	<hr/>
<b>Operating profit</b>		-	-
Profit on sale of property		<b>469,006</b>	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before interest</b>		<b>469,006</b>	-
Interest payable and similar charges		-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<i>2</i>	<b>469,006</b>	-
Tax on profit on ordinary activities	<i>5</i>	<b>(140,702)</b>	-
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>	<i>10</i>	<b>328,304</b>	-
Retained loss brought forward		<b>(419,054)</b>	<b>(419,054)</b>
		<hr/>	<hr/>
<b>Retained loss carried forward</b>		<b>(90,750)</b>	<b>(419,054)</b>
		<hr/>	<hr/>

There is no material difference between the results disclosed in the profit and loss account and the result given on an unmodified historical cost basis.

There were no recognised gains or losses in the year (2004: £nil) other than those shown above and no activities were discontinued in the period.

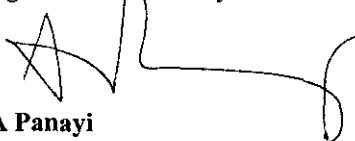
**Balance sheet**  
*As at 30 June 2005*

	<i>Note</i>	<b>30 June 2005</b>		<b>30 June 2004</b>	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		-		1
Investments	7		-		-
<b>Current assets</b>					
Debtors	8	520,236		51,229	
<b>Creditors: amounts falling due within one year</b>	9	<u>(610,886)</u>		<u>(470,184)</u>	
<b>Net current liabilities</b>			<u>(90,650)</u>		<u>(418,955)</u>
<b>Net liabilities</b>			<u>(90,650)</u>		<u>(418,954)</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss account			<u>(90,750)</u>		<u>(419,054)</u>
<b>Equity shareholders' deficit</b>	10		<u>(90,650)</u>		<u>(418,954)</u>

These financial statements were approved by the board of directors on  
 signed on its behalf by:

12 April

2006 and were

  
**A Panayi**  
 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.

Under Financial Reporting Standard No.1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

The related party transactions note included in the consolidated financial statements of the intermediary parent undertaking complies with the conditions of Financial Reporting Standard No.8 'Related Party Transactions'. The company is therefore exempt from the requirement to prepare a separate note.

#### *Going concern*

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Bovis Lend Lease Limited, the company's immediate holding undertaking. Bovis Lend Lease Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in this basis of preparation being inappropriate.

#### *Investments*

Fixed asset investments are stated at cost or cost less provision where there is a permanent diminution in value.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account deferred taxation. In accordance with FRS 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.

### 2 Result on ordinary activities before taxation

The remuneration of the auditors for the current and prior accounting years has been borne by a fellow group undertaking.



## Notes to the financial statements *(continued)*

### 3 Remuneration of directors

The directors did not receive any remuneration from the company for their services during the year (2004: £nil).

### 4 Staff numbers and costs

The company did not directly employ any staff during the year (2004: nil).

### 5 Taxation

#### (a) Analysis of charge in year

	30 June 2005 £	30 June 2004 £
Current tax		
UK corporation tax on profits for the year at 30% (note 5(b))	140,702	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	140,702	-
	<hr/>	<hr/>

#### (b) Factors affecting tax charge for year

The tax assessed for the year is the same as the standard rate of corporation tax (30%):

	30 June 2005 £	30 June 2004 £
Profit on ordinary activities before tax	469,006	-
	<hr/>	<hr/>
Profit on ordinary activities multiplied by tax in the UK of 30% standard rate of corporation	140,702	-
	<hr/>	<hr/>
Current tax charge for year (note 5(a))	140,702	-
	<hr/>	<hr/>

#### (c) Factors affecting future tax charges

Future effective rates may vary due to adjustments for previous years.

### 6 Tangible fixed assets

	30 June 2005 £	30 June 2004 £
Freehold land and buildings at cost	-	1
	<hr/>	<hr/>

## Notes to the financial statements (continued)

### 7 Fixed asset investments

	30 June 2005 £	30 June 2004 £
Unsecured loan stock in London Docklands Arena Limited	600,000	600,000
Less: Provision	(600,000)	(600,000)
	<u>-</u>	<u>-</u>

### 8 Debtors

	30 June 2005 £	30 June 2004 £
Other debtors	-	51,229
Amounts owed from group companies	520,236	-
	<u>520,236</u>	<u>51,229</u>

### 9 Creditors: amounts falling due within one year

	30 June 2005 £	30 June 2004 £
Amounts owed to parent and fellow subsidiary undertaking	470,184	470,184
Corporation tax	140,702	-
	<u>610,886</u>	<u>470,184</u>

### 10 Reconciliation of movements in shareholders' deficit

	30 June 2005 £	30 June 2004 £
Profit on ordinary activities after taxation	328,304	-
Opening equity shareholders' deficit	(418,954)	(418,954)
	<u>(90,650)</u>	<u>(418,954)</u>

## Notes to the financial statements (continued)

### 11 Called up share capital

	30 June 2005 £	30 June 2004 £
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	100	100

### 12 Contingent liabilities

There are claims outstanding which arise under contracts carried out by the company in the ordinary course of business. It is not possible to predict with any certainty the results of these claims but the directors believe, taking into account counter-claims, claims against third parties and provisions in the accounts, that the outcome will not have a material effect on the company's financial position.

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

The company is a subsidiary undertaking of Bovis Lend Lease Limited, which is registered in England and Wales. Its ultimate parent undertaking 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 this group may be obtained from Level 4, 30 The Bond, 30 Hickson Road, Millers Point, New South Wales, Australia, 2000 or from its website at [www.lendlease.com.au](http://www.lendlease.com.au).

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