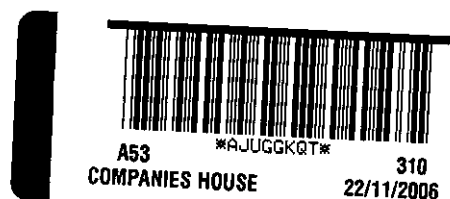


Bovis Lelliott Limited

**Directors' report and
financial statements**

Registered number 2989801

30 June 2006



Directors' report and financial statements

Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Bovis Lelliott Limited	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6-10

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2006.

Principal activities

The company's principal activity is as a provider of project solutions in the construction industry.

Business review

The results for the year are set out in the attached profit and loss account. The loss after tax for the year was £18,000 (2005: profit £15,000).

Proposed dividend

The directors do not recommend the payment of a final dividend (2005: £nil).

Directors and directors' interests

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

M Howes

A Panayi (appointed 5 August 2005)

A Silverbeck (resigned 9 August 2005)

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 P Johnson was appointed as a director effective 11 September 2006, Mr H Mursell was appointed as a director effective 7 November 2006 but Mr A Panayi resigned as a director effective 7 November 2006.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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. Jafarandran
Company secretary

142 Northolt Road
Harrow
Middlesex
HA2 0EE

7 November 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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 Lelliott Limited

We have audited the financial statements of Bovis Lelliott Limited for the year ended 30 June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume 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 we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its loss for the year then ended; the financial statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the Directors' Report is consistent with the financial statements.


KPMG LLP
Chartered Accountants
Registered Auditor

8 Salisbury Square
London
EC4Y 8BB
2006

17 November

Profit and loss account
for the year ended 30 June 2006

	<i>Note</i>	30 June 2006 £000	30 June 2005 £000
Turnover	<i>1,2</i>	-	735
Cost of sales		(48)	(721)
Gross profit		(48)	14
Administration expenses		-	(6)
Operating (loss)/profit		(48)	8
Interest receivable and similar income	<i>6</i>	22	13
(Loss)/profit on ordinary activities before taxation	<i>3</i>	(26)	21
Tax on (loss)/profit on ordinary activities	<i>7</i>		(6)
(Loss)/profit on ordinary activities after taxation		(18)	15
Retained profit brought forward		740	725
Retained profit carried forward	<i>11</i>	722	740

No operations were acquired or discontinued during the year (2005: none). 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 and losses in the year (2005: £nil) other than those shown above.

Balance sheet
as at 30 June 2006

	<i>Note</i>	30 June 2006 £000	30 June 2005 £000
Current assets			
Debtors	8	106	252
Cash at bank and in hand		724	722
		<u>830</u>	<u>974</u>
Creditors: amounts falling due within one year	9	(108)	(234)
Net assets		<u>722</u>	<u>740</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	722	740
Equity shareholders' funds	11	<u>722</u>	<u>740</u>

These financial statements were approved by the board of directors on *7 November* 2006 and were signed on its behalf by:



H Mursell
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.

Turnover

Turnover represents the value of work performed during the period, exclusive of value added tax.

Profits

Profits are brought to account:

- for property construction, progressively at an amount equivalent to general overheads or an amount equivalent to the value of work performed when the outcome of a contract can be reliably determined (the company does not consider that the outcome of a construction contract can be reliably determined until it is at least 50% complete);
- for goods and services, when such goods or services have been supplied or rendered.

Stage of completion is measured by reference to actual costs to date as a percentage of total forecast costs for each contract. Provision is made for losses incurred or foreseen in bringing the contract to completion as soon as they become apparent.

Amounts recoverable on contracts

Amounts recoverable on contracts are included at cost plus attributable profit estimated to be earned to date, less provision for foreseeable losses and less progress payments received and receivable.

Payments received on account

Any excess of progress payments received and receivable on contracts over cost plus attributable profit estimated to be earned to date, less provisions for foreseeable losses, is included in creditors.

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 accounting purposes.

Notes to the financial statements *(continued)*

2 Segmental information

The company's turnover and results arose from, and the company's net assets are deployed in, providing project solutions in the construction industry in the United Kingdom.

3 Profit 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.

4 Remuneration of directors

The directors did not receive any remuneration from the company for their services during the year (2005: *£nil*).

5 Staff numbers and costs

The company did not directly employ any staff during the year (2005: *nil*).

The remuneration and pension contributions of staff and directors are borne by a fellow group undertaking which recovered their costs by way of a management charge to the company. The management charge was *£nil* (2005: *£4,000*).

6 Interest receivable and similar income

	30 June 2006 £000	30 June 2005 £000
Bank interest	22	13
	<u> </u>	<u> </u>

7 Tax on (loss)/profit on ordinary activities

(a) Analysis of (credit)/charge in year

	30 June 2006 £000	30 June 2005 £000
Current tax:		
UK corporation tax (credit)/charge on (loss)/profits for the year at 30% (note 7 (b))	(8)	6
Tax on (loss)/profit on ordinary activities	<u> </u> (8)	<u> </u> 6

Notes to the financial statements *(continued)*

7 Tax on (loss)/profit on ordinary activities *(continued)*

(b) Factors affecting tax (credit)/charge for year

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

	30 June 2006 £000	30 June 2005 £000
(Loss)/profit on ordinary activities before tax	(26)	21
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(8)	6
Current tax (credit)/charge for year (note 7 (a))	(8)	6

(c) Factors that may affect future tax charges

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

8 Debtors

	30 June 2006 £000	30 June 2005 £000
Trade debtors	30	34
Amounts owed by parent and subsidiary undertakings	68	191
Amounts recoverable on contracts	-	24
Other debtors	8	3
	106	252

Notes to the financial statements *(continued)*

9 Creditors: amounts falling due within one year

	30 June 2006 £000	30 June 2005 £000
Trade creditors	5	-
Amounts owed to parent and fellow subsidiary undertakings	103	225
Corporation tax	-	6
Other creditors including taxation and social security	-	3
	<u>108</u>	<u>234</u>

10 Share capital

	30 June 2006 £	30 June 2005 £
<i>Authorised share capital</i>		
Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

11 Reconciliation of movements in equity shareholders' funds

	30 June 2006 £000	30 June 2005 £000
Opening equity shareholders' funds	740	725
Retained (loss)/profit for the year	(18)	15
	<u>722</u>	<u>740</u>
Closing equity shareholders' funds		

Notes to the financial statements *(continued)*

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 Holdings 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.

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.