

**Bovis Lend Lease Pharmaceutical Limited**

**Directors' report and financial  
statements**

Registered number 3133137

30 June 2006

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## Directors' report

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

### Principal activities

The principal activity of the company is that of providing specialised pharmaceutical consulting and regulatory affairs advice and design, construction and project management services to the pharmaceutical, biotechnology and high technology industries

### Results, dividends and business review

The company has reported a strong year of organic growth underpinned by an increasing order book. The company's future prospects remain robust with continued investment in the Pharmaceutical and sectors offering significant ongoing opportunities.

The results for the year ended 30 June 2006, as disclosed on page 5, show a profit of £1,676,780 (2005 loss £1,598,522). The directors did not recommend the payment of a dividend in the year (2005 Nil).

Shares in subsidiary undertakings were transferred to other group companies for a consideration of £850,960 on 7 June 2006. This was undertaken as part of an ongoing rationalisation of the corporate structure.

### Directors and directors' interests

The directors who held office during the year were as follows:

GB Forbes  
PD Leonard  
P Wade

None of the directors serving 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, P Wade resigned as a director effective 17 November 2006.

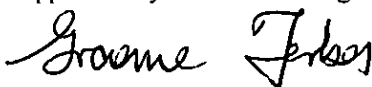
### Disclosure of information to auditors

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

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

Approved by the board and signed on its behalf



GB Forbes  
Director

27/4/2007

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 Lend Lease Pharmaceutical Limited**

We have audited the financial statements of Bovis Lend Lease Pharmaceutical 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 profit 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 30 June 2007*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

8 Salisbury Square  
London  
EC4Y 8BB

**Profit and loss account**  
*for the year ended 30 June 2006*

	<i>Note</i>	<b>2006</b> <b>£</b>	<b>2005</b> <b>£</b>
<b>Turnover</b>	<b>2</b>	<b>49,477,334</b>	<b>20 386 551</b>
Cost of sales		<b>(36,547,678)</b>	<b>(9 338 513)</b>
<b>Gross profit</b>		<b>12,929,656</b>	<b>11 048 038</b>
Administration expenses		<b>(11,312,564)</b>	<b>(13 496 040)</b>
<b>Operating profit/(loss)</b>		<b>1,617,092</b>	<b>(2 448 002)</b>
Dividend receivable		<b>575,855</b>	<b>28 740</b>
Interest receivable	<b>6</b>	<b>273,906</b>	<b>139 853</b>
Interest payable and similar charges	<b>7</b>	<b>-</b>	<b>(12)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>3</b>	<b>2,466,853</b>	<b>(2,279 421)</b>
Tax on profit /(loss) on ordinary activities	<b>8</b>	<b>(790,073)</b>	<b>680 899</b>
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>1,676,780</b>	<b>(1 598 522)</b>

The company had no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

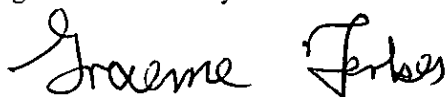
There is no material difference between the results disclosed in the profit and loss account and the results given in an unmodified historical cost basis

## Balance sheet

At 30 June 2006

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Tangible fixed assets	9	166,264	202,819
Investments	10	-	867,263
		<hr/>	<hr/>
		166,264	1,070,082
<b>Current assets</b>			
Debtors	11	10,271,890	9,622,277
Cash at bank and in hand		10,616,341	2,774,493
		<hr/>	<hr/>
		20,888,231	12,396,770
<b>Creditors: amounts falling due within one year</b>	12	(17,698,065)	(11,787,202)
		<hr/>	<hr/>
<b>Net current assets</b>		3,190,166	609,598
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		3,356,430	1,679,650
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	850,500	850,500
Profit and loss account	14	2,505,930	829,150
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	15	3,356,430	1,679,650
		<hr/>	<hr/>

The financial statements on pages 5 to 14 were approved by the board of directors on 23 April 2007 and were signed on its behalf by



**GB Forbes**  
 Director

27/4/07



## Notes

*(forming part of 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 are prepared in accordance with generally accepted accounting principles under the historical cost convention

The related party transactions note included in the consolidated financial statements of the ultimate parent undertaking complies with the conditions of Financial Reporting Standard 8 'Related Party Transactions'. The company is therefore exempt under Financial Reporting Standard 8 from the requirement to prepare a separate note

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements

#### *Tangible fixed assets*

Tangible fixed assets owned by the company are stated at their purchase price, together with any incidental expenses of acquisition

Depreciation is calculated so as to impair the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic life of these assets concerned. The principal annual rates used are as follows

Motor vehicles	33% on reducing balance
Computer and electronic equipment	33% straight line
Furniture & other equipment	25% on reducing balance

#### *Finance leases and hire purchase*

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the lease commitments are shown as obligations under finance leases and hire purchase contracts. The lease rentals are split between capital and interest. The capital element reduces the outstanding obligation and the interest element is charged to the profit and loss account. Depreciation is charged on the asset value so as to impair the asset over its useful economic life. Costs in respect of operating leases are charged on a straight line basis over the lease term

## **Notes** *(continued)*

### **1**      **Accounting policies** *(continued)*

#### ***Fixed asset investments***

Fixed asset investments are stated at cost less amounts written off to reflect any impairment in value

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Post retirement benefits***

Contributions in respect of defined benefit pension schemes are calculated as a percentage, agreed on actuarial advice, of the pensionable salaries of employees. The cost of providing pensions, both via defined benefit and defined contribution schemes, is charged to the profit and loss account over the periods benefiting from the services of employees.

#### ***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 service, 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.

#### ***Taxation***

The charge for taxation is based on the result for the year and takes into account deferred taxation. In accordance with Financial Reporting Standard 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**      **Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

## Notes (continued)

### 3 Profit/(loss) on ordinary activities before taxation

	2006 £	2005 £
<i>Profit/(loss) on ordinary activities before taxation is stated after charging / (crediting)</i>		
Auditors' remuneration audit services	40,000	40,000
Exchange losses	890	89,569
Hire of plant and machinery	4,023	10,838
Hire of other assets	16,490	201,663
Write down of Investments	16,303	-
Exceptional write down in value of fixed assets	-	256,869
Depreciation – owned assets	112,463	99,458
(Gain) / loss on disposal of tangible fixed assets	(84)	362
Operating lease charges - land and buildings	254,781	594,745
- motor vehicles	52,323	272,579
	<u>          </u>	<u>          </u>

### 4 Remuneration of directors

	2006 £	2005 £
Directors' emoluments	472,371	300,873
Company contributions to money purchase pension schemes	37,522	28,324
	<u>          </u>	<u>          </u>
	509,893	329,197
	<u>          </u>	<u>          </u>

The company contributes to money purchase pension schemes on behalf of 3 directors (2005: 3 directors)

The emoluments of the highest paid director were £187,704 (2005: £127,597) and company pension contributions of £17,656 (2005: £16,536) were made to a money purchase scheme on their behalf

### 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2006	2005
Technical and professional	126	142
Administration	29	27
	<u>          </u>	<u>          </u>
	155	169
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2006 £	2005 £
Wages and salaries	6,798,154	7,947,593
Social security costs	653,622	878,821
Other pension costs	682,092	849,181
	<u>          </u>	<u>          </u>
	8,133,868	9,675,595
	<u>          </u>	<u>          </u>

**Notes (continued)**

**6 Other interest receivable and similar income**

	2006 £	2005 £
Interest receivable on cash and bank balances	273,906	139 853

**7 Interest payable and similar charges**

	2006 £	2005 £
On bank loans and overdrafts	-	12

**8 Taxation**

**(a) Tax (charge)/credit for year**

	2006 £	2005 £
UK corporation tax (charge)/credit on loss for the year at 30%	(756,446)	627,726
Adjustments in respect of prior years	-	16 615
Total current taxation (charge)/credit	(756,446)	644 341
Deferred tax (charge)/credit		
Origination and reversal of timing differences	(33,627)	36 558
Tax (charge)/credit on profit/(loss) on ordinary activities	(790,073)	680 899

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

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

	2006 £	2005 £
Profit/(loss) on ordinary activities before tax	2,466,853	(2 279 421)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	740,056	(683 826)
Effects of		
Permanent differences between accounting profits and taxable profits	16,390	19 542
Origination and reversal of timing differences	33,627	36,558
Adjustments in respect of prior years	-	(16 615)
Current tax charge/(credit) for year (note (a))	790,073	(644 341)

## Notes (continued)

### (c) Factors that may affect future tax charges

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

### (d) Deferred taxation

	2006 £	2005 £
Deferred tax asset at start of year	158,848	122 290
Deferred tax (charge)/credit in the profit and loss account in year	(33,627)	36 558
Deferred tax asset at end of year	125,221	158 848
Comprising		
Difference between accumulated depreciation and capital allowances	125,221	149 848
Other short term timing differences	-	9 000
	125,221	158 848

## 9 Tangible fixed assets

	Computers and electronic equipment £	Furniture & equipment £	Total £
<i>Cost or valuation</i>			
At beginning of year	255 689	164 119	419 808
Write down	-	-	-
Disposals	-	(1 693)	(1 693)
Additions	77 601	-	77 601
At end of year	333 290	162 426	495 716
<i>Depreciation</i>			
At beginning of year	106 764	110 225	216 989
Write down	-	-	-
Disposals	-	-	-
Charge for the year	98 482	13 981	112 463
At end of year	205 246	124 206	329 452
<i>Net book value</i>			
At 30 June 2006	128,044	38,220	166,264
At 30 June 2005	148 925	53 894	202 819

## Notes (continued)

### 10 Fixed asset investments

	Shares in Subsidiary Undertakings £
Balance at 1 July 2005	867,263
Group transfers	(850,960)
Impairment	(16,303)
	<hr/>
Balance at 30 June 2006	-
	<hr/> <hr/>

The wholly owned subsidiaries, both registered in England and Wales were transferred to other group companies on 7 June 2006

Pharmaceutical Engineering and Design Limited – transferred to Lend Lease Dormant (No 1) Limited for a consideration of £100,100

Haremead Limited - transferred to Lend Lease Dormant (No9) Limited for a consideration of £750,860

### 11 Debtors

	2006 £	2005 £
Trade debtors	8,725,248	6 801 536
Amounts recoverable on contracts	999,947	2 089 535
Deferred taxation asset (note 8)	125,221	158 848
Other debtors	277,338	265 296
Prepayments and accrued income	144,136	307 062
	<hr/>	<hr/>
	10,271,890	9 622 277
	<hr/> <hr/>	<hr/> <hr/>

### 12 Creditors' amounts falling due within one year

	2006 £	2005 £
Payments received on account	6,947,599	61 625
Trade creditors	3,400,530	3,669 005
Amounts due to other group undertakings	4,703,632	3 179 746
Corporation tax	1,059,857	249,403
Other creditors	1,160,940	471 375
Accruals and deferred income	425,507	4 156 048
	<hr/>	<hr/>
	17,698,065	11 787 202
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 13 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
860 000 ordinary shares of £1 each	860,000	860 000
<i>Allotted, called up and fully paid</i>		
850 500 ordinary shares of £1 each	850,500	850 500

### 14 Profit and loss account

	2006 £000	2005 £000
At beginning of year	829,150	2 427 672
Profit / (loss) for the financial year	1,676,780	(1 598 522)
At end of year	2,505,930	829,150

### 15 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Shareholders' funds at 1 July 2005	1,679,650	3 278 172
Retained profit/(loss) for the year	1,676,780	(1 598 522)
Shareholders' funds at 30 June 2006	3,356,430	1 679 650

### 16 Financial commitments

At 30 June 2006 the company had the following annual commitments under non-cancellable operating leases expiring as follows

	2006		2005	
	Motor Vehicles £	Land and Buildings £	Motor Vehicles £	Land and Buildings £
Within 1 year	82,852	545,469	41 391	13 795
Between 2 and 5 years	81,319	-	84 307	659 417
	164,171	545,469	125 698	673 212

## **Notes (continued)**

### **17 Contingent liabilities**

The company has given cross guarantees and floating charges over its assets in respect of facilities granted to group companies. No loss is expected to arise in connection with these arrangements.

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.

### **18 Pension schemes**

With effect from April 2003 the company participates in the Lend Lease UK Pension Scheme in respect of its employees. Employees are eligible for membership only of that part of the Scheme known as the 2003 Plan, and can choose between a defined contribution option or a defined benefit option, the latter generally being chosen by employees aged over 45. Contributions paid to the scheme on behalf of employees who have chosen the defined benefit option are based on pension costs across the companies within the Lend Lease UK Pension Scheme as a whole. The assets and liabilities of the scheme are not separately allocated to each participating company. Details of this defined benefits scheme, including the level of solvency and the basis on which the future contribution rate is determined and the disclosures required under the transitional arrangements of FRS 17 are set out in the financial statements of Bovis Lend Lease Holdings Limited, the parent undertaking which sponsors the scheme.

For the year ended 30 June 2006 the company contributions paid to the Lend Lease UK Pension Scheme were £319,791 (2005 £571,818).

Note 5 to the financial statements shows the total cost to the company of the schemes operated during the year. This includes contributions of £362,301 (2005 £277,363) made to the Group Personal Pension Scheme operated by the company, the assets of which are held separately from those of the company in an independently administered fund. Although this scheme was closed to new members with effect from April 2003, the company continues to make contributions to it on behalf of the existing members who have chosen not to join the Lend Lease UK Pension Scheme.

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

The company is a subsidiary undertaking of Tanshore Limited, a company incorporated 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 46, Australia Square, George Street, Sydney, Australia, or from its website at [www.lendlease.com.au](http://www.lendlease.com.au).

The smallest group in which they are consolidated is that headed by Lend Lease Europe Holdings Limited, incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Registrar of Companies, Companies House, Crown Way, Cardiff.