

Bovis Lend Lease Pharmaceutical Limited

**Directors' report and financial
statements**

Registered number 3133137

30 June 2001



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2001.

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 results for the year ended 30 June 2001, as disclosed on page 4, show a profit of £713,933 (2000: £437,559). The directors do not recommend the payment of a dividend.

The directors believe that both the level of business and the year-end financial position were satisfactory and look forward to continuing profitability in the future.

The company formally changed its name to Bovis Lend Lease Pharmaceutical Limited on 29 November 2000.

Directors and directors' interests

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

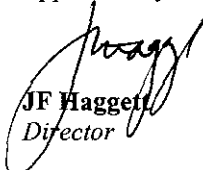
JF Haggett
PH Janssenswillen (resigned 28 February 2001)
PJ Wilkinson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the board and signed on its behalf


JF Haggett
Director

27 February 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss 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 keeping 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.



PO Box 695
8 Salisbury Square
London EC4Y 8BB

Report of the auditors to the members of Bovis Lend Lease Pharmaceutical Limited *(formerly Bovis Tanvec Limited)*

We have audited the financial statements on page 4 to 12.

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. 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

11 March 2002

Profit and loss account
for the year ended 30 June 2001

	Note	2001 £	2000 £
Turnover	2	19,354,894	13,579,973
Cost of sales		(8,269,513)	(5,638,014)
Gross profit		11,085,381	7,941,959
Administration expenses		(10,048,729)	(7,308,659)
Operating profit		1,036,652	633,300
Interest receivable	6	3,600	2,865
Interest payable and similar charges	7	(5,808)	(6,115)
Profit on ordinary activities before taxation	3	1,034,444	630,050
Tax on profit on ordinary activities	8	(320,511)	(192,491)
Retained profit for the financial year		713,933	437,559
Retained profit brought forward		443,218	5,659
Retained profit carried forward		1,157,151	443,218

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.

JF Haggett
 Director



PJ Wilkinson
 Director



Balance sheet

At 30 June 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible fixed assets	9	615,569	407,412
Investments	10	867,263	867,263
		<hr/>	<hr/>
		1,482,832	1,274,675
Current assets			
Cash at bank and in hand		27,811	-
Debtors	11	8,670,244	3,310,656
		<hr/>	<hr/>
		8,698,055	3,310,656
Creditors: amounts falling due within one year	12	(8,173,236)	(3,291,613)
		<hr/>	<hr/>
Net current assets		524,819	19,043
		<hr/>	<hr/>
Total assets less current liabilities		2,007,651	1,293,718
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	850,500	850,500
Profit and loss account		1,157,151	443,218
		<hr/>	<hr/>
Equity shareholders' funds	14	2,007,651	1,293,718
		<hr/>	<hr/>

The financial statements on pages 4 to 12 were approved by the board of directors on 27 February 2002 and were signed on its behalf by:

JF Haggett
 Director

PJ Wilkinson
 Director

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

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.

As the company is a wholly owned subsidiary, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

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 write off 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 write off the asset over its useful economic life. Costs in respect of operating leases are charged on a straight line basis over the lease term.

Fixed asset investments

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

Notes (continued)

1 Accounting policies (continued)

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

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

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 profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Turnover

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

3 Profit on ordinary activities before taxation

	2001 £	2000 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration: audit services	35,000	30,000
Exchange losses/(gains)	12,483	5,108
Hire of plant and machinery	17,114	11,732
Hire of other assets	26,353	6,152
Depreciation – owned assets	219,749	205,055
- finance leased and hire purchase assets	-	4,708
Loss on disposal of tangible fixed assets	1,630	8,291
Operating lease charges - land and buildings	393,109	345,130
- motor vehicles	283,129	228,984
	<hr/>	<hr/>

Notes (continued)

4 Remuneration of directors

	2001 £	2000 £
Directors' emoluments	176,219	230,570
Company contributions to money purchase pension schemes	12,911	17,850
	<u>189,130</u>	<u>248,420</u>

During the year one of the company's directors resigned and another's employment was transferred to a different subsidiary company of Lend Lease Corporation Limited.

The company contributes to money purchase pension schemes on behalf of 2 directors (2000: 3 directors).

The emoluments of the highest paid director were £78,228 (2000: £85,261) and company pension contributions of £5,400 (2000: £7,750) were made to a money purchase scheme on his 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	
	2001	2000
Technical and professional	170	131
Administration	31	26
	<u>201</u>	<u>157</u>

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	6,804,283	5,015,125
Social security costs	712,965	528,200
Other pension costs	111,049	91,908
	<u>7,628,297</u>	<u>5,635,233</u>

6 Other interest receivable and similar income

	2001 £	2000 £
Interest receivable on cash and bank balances	<u>3,600</u>	<u>2,865</u>

Notes (continued)

7 Interest payable and similar charges

	2001 £	2000 £
On bank loans and overdrafts	4,386	3,770
Penalty interest on late payment of Corporation Tax	-	170
Finance leases and hire purchase contracts	1,422	2,175
	<u>5,808</u>	<u>6,115</u>

8 Taxation

	2001 £	2000 £
<i>UK Corporation Tax</i>		
Current tax on income for the year	313,000	179,000
Adjustments in respect of prior years	7,511	13,491
	<u>320,511</u>	<u>192,491</u>

Deferred taxation

At 30 June 2001 the company had a deferred tax asset of £64,000(2000: £77,000), which has not been recognised in these accounts.

	2001 £	2000 £
<i>An analysis of the asset is set out below:</i>		
Difference between accumulated depreciation and capital allowances	55,000	68,000
Short term timing differences	9,000	9,000
	<u>64,000</u>	<u>77,000</u>

Notes (continued)

9 Tangible fixed assets

	Motor Vehicles	Computers and electronic equipment	Furniture & equipment	Total
	£	£	£	£
<i>Cost or valuation</i>				
At beginning of year	11,475	529,221	298,411	839,107
Additions	-	383,508	46,028	429,536
Disposals	(4,725)	-	-	(4,725)
At end of year	6,750	912,729	344,439	1,263,918
<i>Depreciation</i>				
At beginning of year	6,162	297,976	127,557	431,695
Charge for the year	1,614	170,265	47,870	219,749
Disposals	(3,095)	-	-	(3,095)
At end of year	4,681	468,241	175,427	648,349
<i>Net book value</i>				
At 30 June 2001	2,069	444,488	169,012	615,569
At 30 June 2000	5,313	231,245	170,854	407,412

At 30 June 2001 there were no assets held under finance leases or hire purchase contracts.

10 Fixed asset investments

	<i>Shares in subsidiary undertakings</i> £
At beginning of year and end of year	867,263

The wholly owned subsidiaries, both registered in England and Wales are:

Pharmaceutical Engineering and Design Limited – a company providing specialist design layout, planning and operational consultancy to the pharmaceutical and allied industries.

Haremead Limited - a company providing a single source of responsibility for the design, construction and project management of large or small capital projects for all industries.

Notes (continued)

11 Debtors

	2001 £	2000 £
Trade debtors	3,261,935	2,147,621
Amounts recoverable on contracts	1,644,163	539,373
Amounts owed by other group undertakings	3,212,733	221,559
Other debtors	299,003	158,122
Prepayments and accrued income	252,410	243,981
	<u>8,670,244</u>	<u>3,310,656</u>

12 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	-	98,216
Payments received on account	4,170,950	631,191
Trade creditors	2,073,253	1,436,669
Obligations under finance leases and hire purchase	-	4,232
Corporation tax	427,216	134,000
Taxation and social security	236,422	199,014
Other creditors	17,034	77,285
Accruals and deferred income	1,248,361	711,006
	<u>8,173,236</u>	<u>3,291,613</u>

13 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
860,000 ordinary shares of £1 each	<u>860,000</u>	<u>860,000</u>
<i>Allotted, called up and fully paid</i>		
850,500 ordinary shares of £1 each	<u>850,500</u>	<u>850,500</u>

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	713,933	437,559
Shareholders' funds at 1 July 2000	1,293,718	856,159
	<hr/>	<hr/>
Shareholders' funds at 30 June 2001	2,007,651	1,293,718
	<hr/>	<hr/>

15 Financial commitments

At 30 June 2001 the company had the following annual commitments under non-cancellable operating leases expiring as follows:

	2001		2000	
	Motor Vehicles £	Land and Buildings £	Motor Vehicles £	Land and buildings £
Within 1 year	27,621	52,700	33,183	-
Between 2 and 5 years	216,877	-	187,852	52,700
Over 5 years	-	340,409	-	340,409
	<hr/>	<hr/>	<hr/>	<hr/>
	244,498	393,109	221,035	393,109
	<hr/>	<hr/>	<hr/>	<hr/>

16 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.

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

The company is a subsidiary undertaking of Tanshire 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.

The smallest group in which the financial statements of the company are consolidated is that headed by Bovis Tanvec Group Limited. The consolidated financial statements of this group may be obtained from Tanshire House, Shackleford Road, Elstead, Surrey, GU8 6LB.