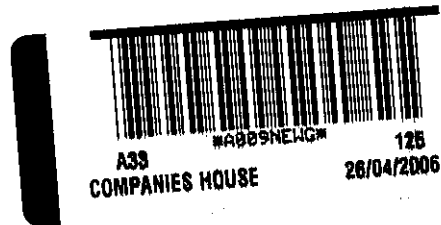


Bovis Lend Lease Group Limited

**Directors' report and
financial statements
Registered number 3832086
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 and business review

The principal activity of the company is that of an investment holding company. At 30 June 2004 the company's sole investment was its 100% interest in Bovis Lend Lease Investments Limited. This investment was sold to Lend Lease Europe Holdings Limited on 23 February 2005 for consideration of £2 resulting in neither profit nor loss.

Directors and directors' interests

Set out below are the directors who held office during the year.

RG Caven
AD Silverbeck

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, Mr A Panayi was appointed as a director effective 5 August 2005 and Mr AD Silverbeck resigned as a director effective 9 August 2005.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


T Janandran
Company secretary

142 Northolt Road
Harrow
Middlesex
HA2 OEE

6 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 a 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

KPMG LLP

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors report to the members of Bovis Lend Lease Group Limited

We have audited the financial statements on pages 4 to 6.

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

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 result 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

24 April 2006

Profit and loss account

for the year ended 30 June 2005

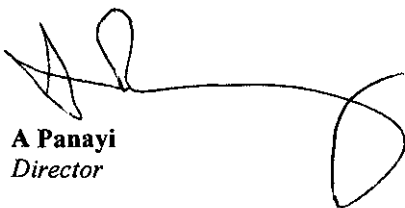
During the year ended 30 June 2005 the company did not trade and its sole investment was sold at cost. Consequently the company made neither a profit nor a loss.

Balance sheet

as at 30 June 2005

	Note	30 June 2005		30 June 2004	
		£	£	£	£
Fixed assets					
Investments	4		-		2
Current assets					
Debtors	5	2		-	
Cash at bank and in hand		1		1	
		<u>3</u>		<u>1</u>	
Creditors: amounts falling due within one year					
		(2)		(2)	
Net current assets/(liabilities)			1		(1)
Net assets			<u>1</u>		<u>1</u>
Capital and reserves					
Called up share capital	6		1		1
Equity shareholders' funds			<u>1</u>		<u>1</u>

These financial statements were approved by the board on 6 April 2006 and were signed on its behalf by:


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.

Fixed asset investments

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

2 Profit on ordinary activities before tax

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

3 Remuneration of directors

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

4 Investments

At 30 June 2004, the undertaking in which Bovis Lend Lease Group Limited had a significant interest was as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of Ordinary shares held
Bovis Lend Lease Investments Limited	Jersey	Investment Company	100%

This investment was sold to Lend Lease Europe Holdings Limited on 23 February 2005 for consideration of £2 resulting in neither profit nor loss.

Notes to the financial statements *(continued)*

5 Debtors

	30 June 2005	30 June 2004
	£	£
<i>Amounts owed by group undertakings:</i>		
Parent and other group undertakings	2	-
	<u> </u>	<u> </u>

6 Called up share capital

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

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

The company's 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, 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, which is the company's immediate parent undertaking. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.