

**Bovis Lend Lease Limited**

**Directors' report and  
financial statements**

Registered number 467006

30 June 2001



## **Directors' report and financial statements**

### **Contents**

|                                                                   |   |
|-------------------------------------------------------------------|---|
| Directors' report                                                 | 1 |
| Statement of directors' responsibilities                          | 4 |
| Report of the auditors to the members of Bovis Lend Lease Limited | 5 |
| Profit and loss account                                           | 6 |
| Balance sheet                                                     | 7 |
| Notes                                                             | 8 |

## Directors' report

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

### Principal activities

The company's principal activity is as a provider of project solutions in the construction industry. The company has branches in Belgium, Ireland, Romania and South Africa.

### Business review

The company continues to trade successfully with a different turnover mix which at the decreased level of £649,484,000 (*18 month period ended 30 June 2000: £1,100,501,000*) generated a profit on ordinary activities after taxation of £11,672,000 (*2000: £5,283,000*).

### Proposed dividend

The directors recommend the payment of a final dividend for the year of £4,000,000 (*2000: £nil*) and no interim dividends were paid during the year (*2000: £16,361,000*).

### Directors and directors' interests

The directors who served during the year are listed below:

|               |                             |
|---------------|-----------------------------|
| JHF Anderson  | (resigned 19 July 2000)     |
| D Bate        |                             |
| L Chatfield   |                             |
| Sir F Lampl   | (resigned 30 June 2001)     |
| J McCloy      | (resigned 31 December 2000) |
| A Ring        |                             |
| AD Silverbeck | (appointed 1 July 2000)     |
| JE Spanswick  |                             |
| M Temple      |                             |

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

## **Directors' report** *(continued)*

### **Employees**

#### *Disabled persons*

It is the company's policy to give full and fair consideration to applications for employment made by disabled persons having regard to their aptitudes and abilities. The company also uses its best endeavours to provide continuing employment for employees who are disabled whilst they are employed by the company and, where appropriate, provides facilities for training and retraining and opportunities for career development and promotion.

#### *Employees and their involvement in group business*

The company is part of the Bovis Lend Lease group and closely identifies with the group's corporate identity and activities and also those of the ultimate Australian parent undertaking, Lend Lease Corporation Limited.

A profit sharing scheme is in place that enables employees, through share ownership, to identify more closely with the group's performance and to share common objectives with shareholders.

The company is committed to enlisting staff involvement, and staff at all levels are kept informed on a regular basis of both the group's and the company's important business contracts and activities through the media of:

- the company's regular news sheets: the "Bovis Lend Lease World" newspaper; "Interlink", the Lend Lease Corporation magazine; and "E-dition", an electronic magazine.
- notice board displays of matters of interest and importance relating to the company and to the group such as health and safety, vision and values, organisational structures and financial matters.
- the intranet site, the "Hive", which is updated with daily news on the activities taking place within the group and regularly publishes detailed information on Bovis Lend Lease and Lend Lease Corporation.

Meetings are held regularly with relevant employees for information and consultation relating to the company's past performance, future objectives and proposed changes.

All employees are encouraged to show an awareness of the objectives of the company and the standards of performance required in relation to the specific activities in which they are engaged.

The Bovis Lend Lease group's core values are published widely. They promote a culture of involvement and performance. The five core values are: 'Integrity', 'Respect', 'Collaboration', 'Excellence', 'Innovation'.

### **Creditor payment policy**

The company's policy is to pay suppliers in accordance with terms and conditions agreed when orders are placed. Where payment terms have not been specifically agreed, then the invoices received each calendar month are paid close to the end of the following month. This policy is understood by the purchasing and financing departments. The company has procedures for dealing promptly with complaints and disputes.

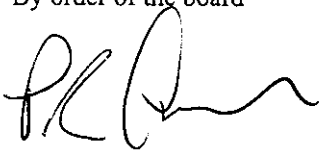
The number of days billings from suppliers outstanding at the end of the year was 25 days (2000: 31).

## Directors' report *(continued)*

### Political and charitable donations

The company made no political contributions during the year (2000: *£nil*). Donations to UK charities amounted to £47,000 (2000: £63,000).

By order of the board



**PR Chadwick**  
*Company secretary*

142 Northolt Road  
Harrow  
Middlesex  
HA2 0EE

20 December 2001

## 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  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Report of the auditors to the members of Bovis Lend Lease Limited

We have audited the financial statements on pages 6 to 17.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, 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 Auditor

*20 December* 2001

## Profit and loss account

*for the year ended 30 June 2001*

|                                                      | <i>Note</i> | Year ended<br>30 June 2001<br>£000 | 18 month<br>period ended<br>30 June 2000<br>£000 |
|------------------------------------------------------|-------------|------------------------------------|--------------------------------------------------|
| Turnover                                             | 2           | 649,484                            | 1,100,501                                        |
| Cost of sales                                        |             | (617,834)                          | (1,084,625)                                      |
| <b>Gross profit</b>                                  |             | <b>31,650</b>                      | <b>15,876</b>                                    |
| Administrative expenses                              |             | (19,272)                           | (17,486)                                         |
| <b>Operating profit/(loss)</b>                       |             | <b>12,378</b>                      | <b>(1,610)</b>                                   |
| Income from shares in group undertakings             |             | 2,500                              | 3,496                                            |
| Interest receivable and similar income               | 6           | 2,226                              | 4,315                                            |
| Interest payable and similar charges                 | 7           | (1,144)                            | (252)                                            |
| Profit on sale of subsidiaries                       |             | -                                  | 353                                              |
| <b>Profit on ordinary activities before taxation</b> | 3           | <b>15,960</b>                      | <b>6,302</b>                                     |
| Tax on profit on ordinary activities                 | 8           | (4,288)                            | (1,019)                                          |
| <b>Profit on ordinary activities after taxation</b>  |             | <b>11,672</b>                      | <b>5,283</b>                                     |
| Dividends paid                                       | 9           | (4,000)                            | (16,361)                                         |
| <b>Retained profit/(loss) for the financial year</b> | 16          | <b>7,672</b>                       | <b>(11,078)</b>                                  |

No operations were acquired or discontinued during the year (2000: 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 gains or losses recognised in the year (2000: £nil) other than those shown above.

## Balance sheet

as at 30 June 2001

|                                                                | Note | 30 June 2001   |               | 30 June 2000   |               |
|----------------------------------------------------------------|------|----------------|---------------|----------------|---------------|
|                                                                |      | £000           | £000          | £000           | £000          |
| <b>Fixed assets</b>                                            |      |                |               |                |               |
| Tangible assets                                                | 10   |                | 9,043         |                | 8,350         |
| Investments                                                    | 11   |                | 2,191         |                | 1,691         |
|                                                                |      |                | <u>11,234</u> |                | <u>10,041</u> |
| <b>Current assets</b>                                          |      |                |               |                |               |
| Debtors                                                        | 12   | 128,846        |               | 112,119        |               |
| Cash at bank and in hand                                       |      | 20,964         |               | 16,837         |               |
|                                                                |      | <u>149,810</u> |               | <u>128,956</u> |               |
| <b>Creditors: amounts falling due within one year</b>          | 13   | (150,488)      |               | (136,297)      |               |
| <b>Net current liabilities</b>                                 |      |                | (678)         |                | (7,341)       |
| <b>Total assets less current liabilities</b>                   |      |                | <u>10,556</u> |                | <u>2,700</u>  |
| <b>Creditors: amounts falling due after more than one year</b> | 14   |                | (184)         |                | -             |
| <b>Net assets</b>                                              |      |                | <u>10,372</u> |                | <u>2,700</u>  |
| <b>Capital and reserves</b>                                    |      |                |               |                |               |
| Called up share capital                                        | 15   |                | 8,100         |                | 8,100         |
| Profit and loss account                                        | 16   |                | 2,272         |                | (5,400)       |
| <b>Equity shareholders' funds</b>                              | 17   |                | <u>10,372</u> |                | <u>2,700</u>  |

These financial statements were approved by the board of directors on 20 December 2001 and were signed on its behalf by:



**JE Spanswick**  
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, modified to include the revaluation of certain land and buildings.

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

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.

#### *Fixed assets and depreciation*

No depreciation has been provided on freehold land.

Depreciation is provided by the company to write off the cost less the estimated residual value of other tangible fixed assets over their useful economic lives as follows:

|                                          |   |                                                |
|------------------------------------------|---|------------------------------------------------|
| Freehold buildings                       | - | 2% per annum, straight line                    |
| Office improvements                      | - | Over remaining period of lease, straight line  |
| Plant, machinery, furniture and fixtures | - | 10%-25% per annum, straight line               |
| Motor vehicles                           | - | 33 1/3% per annum, on a reducing balance basis |

#### *Investments*

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

#### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *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.

#### *Pension costs*

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 is charged to the profit and loss account over the periods benefiting from the services of employees.

#### *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.

#### *Leased assets*

Rentals payable and receivable under operating leases are charged or credited to the profit and loss account on a straight line basis over the life of the lease.

### 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, primarily in the United Kingdom.

### 3 Profit on ordinary activities before taxation

|                                                                                            | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|--------------------------------------------------------------------------------------------|----------------------------|------------------------------------------|
|                                                                                            | £000                       | £000                                     |
| <i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i> |                            |                                          |
| Auditor's remuneration and expenses for:                                                   |                            |                                          |
| Audit work                                                                                 | 144                        | 139                                      |
| Non-audit work                                                                             | 862                        | 68                                       |
| Depreciation of tangible fixed assets                                                      | 1,910                      | 2,330                                    |
| Rentals payable under operating leases:                                                    |                            |                                          |
| Hire of plant and machinery                                                                | 6,697                      | 11,962                                   |
| Other rentals payable under operating leases                                               | 530                        | 858                                      |
| (Gain)/Loss on sale of fixed assets                                                        | (18)                       | 5                                        |
|                                                                                            | <hr/>                      | <hr/>                                    |

## Notes (continued)

### 4 Remuneration of directors

|                       | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|-----------------------|----------------------------|------------------------------------------|
|                       | £000                       | £000                                     |
| Directors' emoluments | 1,232                      | 2,335                                    |
| Pension contributions | 141                        | 312                                      |
|                       | <hr/> 1,373                | <hr/> 2,647                              |
|                       | <hr/> <hr/>                | <hr/> <hr/>                              |

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £223,637, (2000: £380,852). He is a member of a defined benefit scheme, under which his accrued pension at the year end was £141,570 (2000: £135,730).

All pension contributions relate to defined benefit schemes (see note 20).

### 5 Staff numbers and costs

The average number of employees engaged in the activity of providing project solutions in the construction industry was 1,751 (2000: 1,660). The aggregate payroll costs of these persons were as follows:

|                                   | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|-----------------------------------|----------------------------|------------------------------------------|
|                                   | £000                       | £000                                     |
| Wages and salaries                | 65,355                     | 86,470                                   |
| Social security costs             | 5,918                      | 7,831                                    |
| Other pension costs (see note 20) | 7,793                      | 9,467                                    |
|                                   | <hr/> 79,066               | <hr/> 103,768                            |
|                                   | <hr/> <hr/>                | <hr/> <hr/>                              |

### 6 Interest receivable and similar income

|                                                              | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|--------------------------------------------------------------|----------------------------|------------------------------------------|
|                                                              | £000                       | £000                                     |
| Bank and other interest                                      | 63                         | 630                                      |
| Interest receivable from parent and other group undertakings | 2,163                      | 3,685                                    |
|                                                              | <hr/> 2,226                | <hr/> 4,315                              |
|                                                              | <hr/> <hr/>                | <hr/> <hr/>                              |

## Notes (continued)

### 7 Interest payable and similar charges

|                                       | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|---------------------------------------|----------------------------|------------------------------------------|
|                                       | £000                       | £000                                     |
| Interest payable to group undertaking | 62                         | 248                                      |
| Other interest payable                | 1,082                      | 4                                        |
|                                       | <u>1,144</u>               | <u>252</u>                               |

### 8 Taxation

|                                                                                           | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|-------------------------------------------------------------------------------------------|----------------------------|------------------------------------------|
|                                                                                           | £000                       | £000                                     |
| UK corporation tax at 30% (2000: 30.2%) on the profit for the year on ordinary activities | 6,377                      | 3,827                                    |
| Prior period underprovision/(overprovision)                                               | 1,239                      | (368)                                    |
| Deferred taxation (credit)                                                                | (3,432)                    | (2,485)                                  |
| Overseas taxation                                                                         | 104                        | 45                                       |
|                                                                                           | <u>4,288</u>               | <u>1,019</u>                             |

### 9 Dividends

|                          | Year ended<br>30 June 2001 | 18 month<br>period ended<br>30 June 2000 |
|--------------------------|----------------------------|------------------------------------------|
|                          | £000                       | £000                                     |
| Interim dividends paid   | -                          | 16,361                                   |
| Final dividends proposed | 4,000                      | -                                        |
|                          | <u>4,000</u>               | <u>16,361</u>                            |

**Notes (continued)**

**10 Tangible fixed assets**

|                                                 | Freehold<br>land and<br>buildings<br>£000 | Improvements<br>to leasehold<br>buildings<br>£000 | Plant,<br>Machinery<br>and vehicles<br>£000 | Furniture<br>and fixtures<br>£000 | Total<br>£000 |
|-------------------------------------------------|-------------------------------------------|---------------------------------------------------|---------------------------------------------|-----------------------------------|---------------|
| <i>Cost or valuation</i>                        |                                           |                                                   |                                             |                                   |               |
| At beginning of year                            | 6,320                                     | 100                                               | 3,718                                       | 1,404                             | 11,542        |
| Exchange difference                             | -                                         | -                                                 | (5)                                         | (1)                               | (6)           |
| Additions                                       | -                                         | 240                                               | 2,100                                       | 383                               | 2,723         |
| Disposals                                       | -                                         | (6)                                               | (1,344)                                     | (365)                             | (1,715)       |
| At end of year                                  | 6,320                                     | 334                                               | 4,469                                       | 1,421                             | 12,544        |
| <i>Depreciation and<br/>diminution in value</i> |                                           |                                                   |                                             |                                   |               |
| At beginning of year                            | 110                                       | 50                                                | 2,265                                       | 767                               | 3,192         |
| Charge for year                                 | 67                                        | 10                                                | 1,670                                       | 163                               | 1,910         |
| On disposals                                    | -                                         | (6)                                               | (1,230)                                     | (365)                             | (1,601)       |
| At end of year                                  | 177                                       | 54                                                | 2,705                                       | 565                               | 3,501         |
| <i>Net book value</i>                           |                                           |                                                   |                                             |                                   |               |
| At 30 June 2001                                 | 6,143                                     | 280                                               | 1,764                                       | 856                               | 9,043         |
| At 30 June 2000                                 | 6,210                                     | 50                                                | 1,453                                       | 637                               | 8,350         |

The historical cost of freehold land and buildings at 30 June 2001 was £ 11,444,258 (2000: £11,444,258).

## Notes (continued)

### 11 Fixed asset investments

|                       | Shares in<br>Subsidiary<br>Undertakings<br>£000 | Other<br>Investments<br>£000 | Total<br>£000 |
|-----------------------|-------------------------------------------------|------------------------------|---------------|
| <b>Cost</b>           |                                                 |                              |               |
| At beginning of year  | 1,753                                           | 763                          | 2,516         |
| Additions             | 501                                             | -                            | 501           |
| Disposals             | (50)                                            | (80)                         | (130)         |
| At end of year        | 2,204                                           | 683                          | 2,887         |
| <b>Provision</b>      |                                                 |                              |               |
| At beginning of year  | 63                                              | 762                          | 825           |
| Provided during year  | (50)                                            | (79)                         | (129)         |
| At end of year        | 13                                              | 683                          | 696           |
| <b>Net book value</b> |                                                 |                              |               |
| At 30 June 2001       | 2,191                                           | -                            | 2,191         |
| At 30 June 2000       | 1,690                                           | 1                            | 1,691         |

The principal companies in which the company's interest is more than 10% are as follows:

| Subsidiary and<br>associated undertakings      | Country of<br>registration or<br>incorporation | Principal<br>Activity  | Percentage<br>of ordinary<br>Shares held |
|------------------------------------------------|------------------------------------------------|------------------------|------------------------------------------|
| Construction Engineering Management<br>Limited | England and<br>Wales                           | Project solutions      | 100                                      |
| Bovis Lend Lease (Scotland) Limited            | Scotland                                       | Project solutions      | 100                                      |
| Bovis Engineering Limited                      | England and<br>Wales                           | Project solutions      | 100                                      |
| Bovis Ireland Limited                          | Eire                                           | Project solutions      | 100                                      |
| Bovis Construction North Western<br>Limited    | England and<br>Wales                           | Project solutions      | 100                                      |
| Catalyst Healthcare Management Limited         | England and<br>Wales                           | Management<br>Services | 100                                      |

In the opinion of the directors the investments in and amounts due from the company's subsidiary and associated undertakings are worth at least the amounts at which they are stated in the balance sheet.

## Notes (continued)

### 12 Debtors

|                                           | 30 June 2001<br>£000 | 30 June 2000<br>£000 |
|-------------------------------------------|----------------------|----------------------|
| Trade debtors                             | 58,448               | 58,565               |
| Amounts recoverable on contracts          | 10,044               | 15,583               |
| Amounts owed by group undertakings:       |                      |                      |
| Parent and fellow subsidiary undertakings | 28,147               | 22,535               |
| Subsidiary undertakings                   | 16,111               | 2,840                |
| Other debtors                             | 978                  | 2,380                |
| Prepayments and accrued income            | 4,840                | 3,370                |
| Deferred taxation asset                   | 10,278               | 6,846                |
|                                           | <hr/> 128,846 <hr/>  | <hr/> 112,119 <hr/>  |

The amounts provided for deferred taxation are set out below:

|                                                | 30 June 2001<br>£000 | 30 June 2000<br>£000 |
|------------------------------------------------|----------------------|----------------------|
| Deferred tax on accelerated capital allowances | 2,029                | 1,833                |
| Other short term timing differences            | 8,249                | 5,013                |
|                                                | <hr/> 10,278 <hr/>   | <hr/> 6,846 <hr/>    |

There is no unprovided deferred tax.

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

|                                                         | 30 June 2001<br>£000 | 30 June 2000<br>£000 | 30 June 2000<br>£000 |
|---------------------------------------------------------|----------------------|----------------------|----------------------|
| Payments received on account                            | 82,831               |                      | 44,104               |
| Trade creditors                                         | 36,005               |                      | 58,850               |
| Amounts owed to group undertakings:                     |                      |                      |                      |
| Parent and fellow subsidiary undertakings               | 7,765                |                      | 10,902               |
| Subsidiary undertakings                                 | 37                   |                      | 8,664                |
| Other creditors including taxation and social security: |                      |                      |                      |
| Corporation tax                                         | 10,066               |                      | 3,817                |
| Taxation and social security                            | 47                   |                      | 3,042                |
| Other creditors                                         | 3,996                |                      | 1,408                |
|                                                         | <hr/> 14,109 <hr/>   |                      | <hr/> 8,267 <hr/>    |
| Accruals and deferred income                            | 5,741                |                      | 5,510                |
| Dividend proposed                                       | 4,000                |                      | -                    |
|                                                         | <hr/> 150,488 <hr/>  |                      | <hr/> 136,297 <hr/>  |

**Notes (continued)**

**14 Creditors: amounts falling due after more than one year**

|                                   | 30 June 2001<br>£000 | 30 June 2000<br>£000 |
|-----------------------------------|----------------------|----------------------|
| Employee long term incentive plan | 184                  | -                    |
|                                   | <u>184</u>           | <u>-</u>             |

**15 Called up share capital**

|                                                        | 30 June 2001<br>£000 | 30 June 2000<br>£000 |
|--------------------------------------------------------|----------------------|----------------------|
| <i>Authorised, allotted, called up and fully paid:</i> |                      |                      |
| Ordinary shares of £1 each                             | 8,100                | 8,100                |
|                                                        | <u>8,100</u>         | <u>8,100</u>         |

**16 Reserves**

|                              | Profit and loss<br>account<br>£000 |
|------------------------------|------------------------------------|
| At beginning of year         | (5,400)                            |
| Retained profit for the year | 7,672                              |
|                              | <u>2,272</u>                       |
| At end of year               | <u>2,272</u>                       |

**17 Reconciliation of movement in equity shareholders' funds**

|                                              | Year ended<br>30 June 2001<br>£000 | 18 month<br>period ended<br>30 June 2000<br>£000 |
|----------------------------------------------|------------------------------------|--------------------------------------------------|
| Profit on ordinary activities after taxation | 11,672                             | 5,283                                            |
| Dividends                                    | (4,000)                            | (16,361)                                         |
|                                              | <u>7,672</u>                       | <u>(11,078)</u>                                  |
| Net movement in equity shareholders' funds   | 7,672                              | (11,078)                                         |
| Opening equity shareholders' funds           | 2,700                              | 13,778                                           |
|                                              | <u>10,372</u>                      | <u>2,700</u>                                     |
| Closing equity shareholders' funds           | <u>10,372</u>                      | <u>2,700</u>                                     |

## Notes (continued)

### 18 Commitments

#### Operating leases

Annual commitments under non-cancellable operating leases are as follows:

|                                | Year ended<br>30 June 2001    |               | 18 month<br>period ended<br>30 June 2000 |               |
|--------------------------------|-------------------------------|---------------|------------------------------------------|---------------|
|                                | Land and<br>buildings<br>£000 | Other<br>£000 | Land and<br>Buildings<br>£000            | Other<br>£000 |
| Operating leases which expire: |                               |               |                                          |               |
| Within one year                | 31                            | 732           | 4                                        | 705           |
| Between one and five years     | 563                           | 2080          | 488                                      | 2,530         |
| Over five years                | 63                            | -             | 139                                      | -             |
|                                | <u>657</u>                    | <u>2,812</u>  | <u>631</u>                               | <u>3,235</u>  |

#### Capital commitments

As at 30 June 2001, the company was contractually committed to pay £nil (2000: £nil).

### 19 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.

### 20 Pension scheme

The company participates in the Bovis UK Pension Scheme in respect of its employees. Contributions paid to the scheme are based on pension costs across the companies within the Pension Scheme as a whole. The assets and liabilities of the scheme cannot be accurately allocated to the company. Details of this defined benefits scheme, including the level of solvency and the basis on which the future contribution rate is determined, are set out in the accounts of Bovis Lend Lease Holdings Limited (the company's parent company), which sponsors the scheme.

For the year ended 30 June 2001 the company contributions paid to the Bovis UK Pension Scheme were £7,770,342.

For the 10 months ended 31 October 1999 the company participated in the P&O Pension Scheme. The company contributions paid to this scheme in that period were £5,198,147.

For the 8 months ended 30 June 2000 the company contributions paid to the Bovis UK Pension Scheme were £4,252,934.

Note 5 to the financial statements shows the total cost to the company of the main schemes operating during the period. This includes contributions made to local schemes in South Africa and Belgium. Total amounts contributed to local schemes in the period were £22,437 (2000: £15,768).

**Notes** *(continued)*

**21 Ultimate parent undertaking 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 46, Australia Square, George Street, Sydney, Australia.

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.