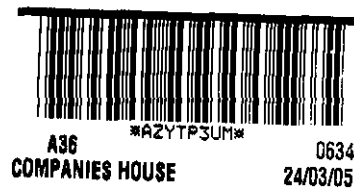


Bovis Urban Renewal Limited

**Directors' report and
financial statements**

Registered number 1841042

30 June 2004



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 2004.

Principal activities

The company did not trade during the year.

Directors and directors' interests

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

R Dawson
J Millett (Appointed 5th February 2004)
AD Silverbeck (Appointed 31st October 2003)
A Ring (Resigned 31st October 2003)
D Bate (Resigned 5th February 2004)

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

No other directors served during the year.

Auditors

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

By order of the board


T Jahandran
Company secretary

142 Northolt Rd
Harrow
Middlesex
HA2 0EE

17 February 2005

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 LLP

PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Bovis Urban Renewal Limited

We have audited the financial statements on pages 4 to 7.

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 2004 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

February 2005

Profit and loss account

for the year ended 30 June 2004


During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years, the company made neither a profit nor a loss.

Balance sheet

as at 30 June 2004

	Notes	£	30 June 2004 £	£	30 June 2003 £
Current assets					
Investments	5	50		50	
Debtors	6	395,701		395,701	
		<u>395,751</u>		<u>395,751</u>	
Net current assets			<u>395,751</u>		<u>395,751</u>
Net assets			<u>395,751</u>		<u>395,751</u>
Capital and reserves					
Called up share capital	7		450,000		450,000
Profit and loss account			(54,249)		(54,249)
Equity shareholders' funds	9		<u>395,751</u>		<u>395,751</u>

These financial statements were approved by the board of directors on February 17th 2005 and were signed on its behalf by:



A D Silverbeck
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.

As the directors do not intend to acquire a replacement trade, the financial statements have not been prepared on a going concern basis. No adjustments were necessary to the amounts at which remaining net assets are included in the financial statements.

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.

Investments

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

Taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation. In accordance with FRS 19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

2 Profit on ordinary activities before taxation

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

3 Remuneration of directors

The directors did not receive any remuneration from the company for their services during the year (2003: £nil).

4 Staff numbers and costs

The company did not directly employ any staff during the year (2003: nil).

Notes (continued)

5 Current asset investments

	Participating interests £
<i>Cost</i>	
At beginning and end of year	50

All investments were held as current asset investments at the end of the year.

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

Subsidiary and associated undertakings	Country of registration or incorporation	Principal activity	Percentage of ordinary shares held
The Salford Bovis Partnership Limited	England and Wales	Development and sale of real estate	50
Bradford Bovis Social Partnership Limited	England and Wales	Other business activities	50

6 Debtors

	30 June 2004 £	30 June 2003 £
Amounts owed by parent undertaking and fellow subsidiary undertakings	395,701	395,701

7 Called up share capital

	30 June 2004 £	30 June 2003 £
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	450,000	450,000

Notes (continued)

8 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.

9 Reconciliation of movement in equity shareholders' funds

	30 June 2004 £	30 June 2003 £
Opening equity shareholders' funds	395,751	395,751
Retained profit for the financial year	-	-
	<hr/>	<hr/>
Closing equity shareholders' funds	395,751	395,751
	<hr/>	<hr/>

10 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 4, 30 The Bond, 30 Hickson Road, Millers Point, New South Wales, Australia 2000 or from its website at www.lendlease.com.au.

The smallest group in which the financial statements of the company are consolidated is that headed by Lend Lease Europe Holdings Limited. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.