

Exchequer Partnership (No 2) Holdings  
Limited

Directors' report and financial statements  
for the year ended 31 December 2005

Registered Number 4426554



Exchequer Partnership (No 2) Holdings Limited  
Directors' report and financial statements  
for the year ended 31 December 2005

Contents

Directors' report for the year ended 31 December 2005 .....	1
Independent auditors' report to the shareholders of Exchequer Partnership (No 2) Holdings Limited.....	3
Consolidated profit and loss account for the year ended 31 December 2005.....	4
Consolidated balance sheet as at 31 December 2005.....	5
Company balance sheet as at 31 December 2005 .....	6
Consolidated cash flow statement for the year ended 31 December 2005.....	7
Accounting policies .....	8
Notes to the financial statements for the year ended 31 December 2005.....	9

# **Exchequer Partnership (No 2) Holdings Limited**

## **Directors' report for the year ended 31 December 2005**

The directors present their report and the audited financial statements of the company and the group for the year ended 31 December 2005.

### **Principal activities and business review**

The company was established to bid for, and subsequently to complete, a 35-year contract with HM Customs and Excise and Inland Revenue to renovate and then manage the facilities at the East End of the main Treasury building formerly Government Offices, Great George Street, Whitehall, London. The renovations were completed in November 2004 and H M Customs and Excise and Inland Revenue then moved into the refurbished accommodation. Management of the facilities commenced from this time.

The project agreement with HM Customs and Excise and Inland Revenue was signed on 13 December 2002 and Financial Close for the project was achieved on 15 January 2003.

### **Results and dividends**

The group achieved a profit of £3,805,000 in the year (2004: loss £1,641,000). No dividend is proposed (2004: £nil).

### **Directors and their interests**

The directors who held office during the year are given below:

D J Camp (resigned 31 March 2006)  
S Hockaday  
F P Lewis (resigned 31 March 2006)  
Sir Stuart Lipton (resigned 31 March 2006)  
D J Nolan (resigned 19 January 2005)  
T D Anderson (appointed 19 January 2005)

The directors have no interest in the share capital of the company according to the Register maintained by the company under Section 325 of the Companies Act 1985.

### **Creditor payment policy**

The company's policy is to agree terms of payments with key suppliers. For all other suppliers, terms are agreed for each transaction. The company endeavours to abide by the terms of payment agreed with suppliers. As at 31 December 2005 the creditor days represented by the closing creditors balance were 36 (2004: 7).

## **Exchequer Partnership (No 2) Holdings Limited**

### **Statement of directors' responsibilities**

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

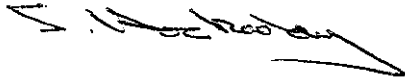
The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to act as auditors, and a resolution concerning their appointment will be proposed at the Annual General Meeting.

**By order of the Board**



**Director**  
**8 June 2006**

# Exchequer Partnership (No 2) Holdings Limited

## Independent auditors' report to the shareholders of Exchequer Partnership (No 2) Holdings Limited

We have audited the group and parent company financial statements ("the financial statements") of Exchequer Partnership (No 2) Holdings Limited which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### Basis of audit opinion

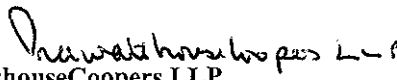
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2005 and of the group's loss and cash flows for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Manchester  
8<sup>th</sup> June 2006

## Exchequer Partnership (No 2) Holdings Limited

### Consolidated profit and loss account for the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Turnover		7,655	163,439
Cost of sales		(5,684)	(163,431)
Gross profit		1,971	8
Administrative expenses		(3,696)	(430)
Operating loss	1	(1,725)	(422)
Interest payable and similar charges	2	(10,087)	(2,147)
Interest receivable and similar income	3	10,718	928
Loss from ordinary activities before taxation		(1,094)	(1,641)
Taxation	4	4,899	-
Profit /(loss) from ordinary activities after taxation	12	3,805	(1,641)

The result for each year relates solely to continuing activities in a single class of business conducted within the United Kingdom.

There were no material recognised gains and losses for the year other than the profit for the year.

The result is stated on the historical cost basis.

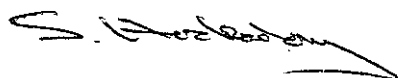
The notes on pages 8 to 17 form part of these financial statements.

# Exchequer Partnership (No 2) Holdings Limited

## Consolidated balance sheet as at 31 December 2005

	Note	2005 £'000	2004 £'000
<b>Current assets</b>			
Debtors: due within one year	6	2,795	1,865
Debtors: due after more than one year	6	165,717	162,144
		<b>168,512</b>	<b>164,009</b>
Investments	7	-	5,134
Cash at bank and in hand		15,978	6,389
		<b>184,490</b>	<b>175,532</b>
Creditors: amounts falling due within one year	8	(8,046)	(10,361)
<b>Net current assets</b>		<b>176,444</b>	<b>165,171</b>
Creditors: amounts falling due after more than one year	9	(175,455)	(168,883)
Provision for liabilities and charges	10	(896)	-
<b>Net assets / (liabilities)</b>		<b>93</b>	<b>(3,712)</b>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Profit and loss account	12	43	(3,762)
<b>Total equity shareholders' funds / (deficit)</b>	13	<b>93</b>	<b>(3,712)</b>

The financial statements on pages 4 to 17 were approved by the board of directors on 8 June 2006 and signed on its behalf by:



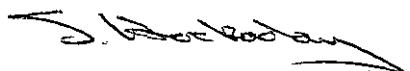
Director

# Exchequer Partnership (No 2) Holdings Limited

## Company balance sheet as at 31 December 2005

	Note	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Investment in subsidiary at cost	7	50	50
<b>Current assets</b>			
Debtors: due within one year	6	472	2,897
Debtors: due after more than one year	6	7,185	-
		7,657	2,897
Creditors: amounts falling due within one year	8	(472)	(2,897)
<b>Net current assets</b>		7,185	-
Creditors: amounts falling due after more than one year	9	(7,185)	-
<b>Net assets</b>		50	50
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Profit and loss account	12	-	-
<b>Total equity shareholders' funds</b>		50	50

The financial statements on pages 4 to 17 were approved by the board of directors on 8 June 2006 and signed on its behalf by:



Director



# Exchequer Partnership (No 2) Holdings Limited

## Consolidated cash flow statement for the year ended 31 December 2005

	2005 £'000	2004 £'000
<b>Net cash outflow from operating activities</b>	<b>(892)</b>	<b>(50,605)</b>
<b>Returns on investment and servicing of finance</b>		
Interest received	10,676	928
Interest paid	(9,166)	(9,166)
	<b>1,510</b>	<b>(8,238)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>618</b>	<b>(58,843)</b>
<b>Management of liquid resources</b>		
Decrease in liquid resources	5,134	39,117
<b>Financing</b>		
Increase in borrowings	3,837	10,496
<b>Increase/(decrease) in cash</b>	<b>9,589</b>	<b>(9,230)</b>

## Reconciliation of operating loss to net cash outflow from operating activities

	2005 £'000	2004 £'000
Operating loss	(1,725)	(422)
Provision movement	896	-
Increase in stock/finance debtor	(220)	(44,176)
Decrease in debtors	659	1,189
Decrease in creditors	(502)	(7,196)
<b>Net cash outflow from operating activities</b>	<b>(892)</b>	<b>(50,605)</b>

Notes 14 and 15 form part of this cash flow statement.

# **Exchequer Partnership (No 2) Holdings Limited**

## **Accounting policies**

A summary of the principal accounting policies of the company, all of which have been applied consistently, is set out below.

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Financial Reporting Standards. They include the results of the activities described in the Directors' Report, all of which are continuing.

### **Turnover**

Turnover represents amounts due from HM Customs and Excise and Inland Revenue in respect of the company's trading activities. All turnover originates in the United Kingdom and is stated exclusive of value added tax.

### **Taxation**

Corporation tax is provided on taxable profits at the applicable rate.

### **Finance receivable**

The costs incurred in respect of bid development, design and construction prior to the occupational availability of the Treasury building have been accumulated within a finance receivable in accordance with FRS 5 as the costs are to be recovered over the contract period.

Occupational availability payments from HM Customs and Excise and Inland Revenue are allocated between turnover in relation to the service element of the contract, reimbursement of the finance receivable and interest on the finance receivable so as to generate a constant rate of return over the contract period.

### **Finance charges**

Arrangement fees and certain costs directly relating to the issuing of the facilities have been offset against the related loans and are being amortised over the duration of each respective financial instrument as part of the finance cost, in accordance with FRS 4. The directors have determined this to be 34.5 years for the bonds and 29 years for the mezzanine loan.

### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised when it is more likely than not they will be recovered. The deferred tax assets and liabilities are not discounted.

### **Provisions**

Provisions are made in accordance with FRS 12 where an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

# Exchequer Partnership (No 2) Holdings Limited

## Notes to the financial statements for the year ended 31 December 2005

### 1 Operating loss

Operating loss is stated after charging:

	2005 £'000	2004 £'000
Auditors' remuneration	9	9

The auditors also received remuneration for other services totalling £21,000 (2004: £13,000) during the year. The directors received no salary, fees or other benefits in the performance of their duties. The company had no employees throughout the year. Management and administrative staffing resources are provided by secondees staff that are employed by certain related parties (see note 17). The employment costs relating to the secondees are recharged to the company.

### 2 Interest payable and similar charges

	2005 £'000	2004 £'000
Interest payable on bond	8,905	8,910
Interest payable on other loans	758	333
Other charges	424	445
	10,087	9,688
Less amounts transferred to work in progress (note 5)	-	(7,541)
	10,087	2,147

Interest payable and similar charges of £10,087,000 (2004: £9,688,000) relates to interest charges, commitment fees and credit enhancement fees, with respect to the borrowings, totalling £9,918,000 (2004: £9,498,000), plus the amortisation of loan issue costs of £169,000 (2004: £190,000) in accordance with FRS 4.

### 3 Interest receivable and similar income

	2005 £'000	2004 £'000
Interest receivable from bank	511	928
Finance income	10,207	-
	10,718	928

Interest receivable and similar income of £10,718,000 (2004: £928,000) relates to finance income generated on finance receivable of £10,207,000 (2004: £nil) together with interest income from the company's investments and bank accounts of £511,000 (2004: £928,000).

# Exchequer Partnership (No 2) Holdings Limited

## 4 Taxation

	2005 £'000	2004 £'000
UK Corporation Tax payable at 30%		
- current year	-	-
- adjustment to prior years	-	-
Deferred taxation credit at 30%		
- current year	(4,899)	-
- adjustment to prior years	-	-
Total tax credit for the year	(4,899)	-

### Factors affecting the tax charge for the year

The current tax charge for the year is lower than the standard rate of Corporation Tax in the UK. The differences are explained below:

Loss before tax	(1,094)	(1,641)
UK Corporation Tax at 30%	(328)	(492)
Effects of:		
Expenses not deductible for tax purposes	30	-
Capital allowances in excess of depreciation and other timing differences	(28)	492
Tax losses carried forward	326	-
Total current tax charge (see above)	-	-

## 5 Stock

	2005 £'000	2004 £'000
Work in progress		
Balance at 1 January	-	110,427
Additions	-	44,176
Interest on financing (note 2)	-	7,541
	-	162,144
Less: Amounts transferred to finance receivable	-	(162,144)
	-	-

# Exchequer Partnership (No 2) Holdings Limited

## 6 Debtors

	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
<b>Amounts due within one year</b>				
Trade debtors	2,426	-	1,398	-
Amounts due from related party undertakings	15	472	-	2,897
Tax and social security	-	-	124	-
Other debtors	354	-	343	-
	<b>2,795</b>	<b>472</b>	<b>1,865</b>	<b>2,897</b>

### Amounts due after more than one year:

Finance receivable	160,818	-	162,144	-
Amounts due from related party undertakings	-	7,185	-	-
Deferred tax asset	4,899	-	-	-
	<b>165,717</b>	<b>7,185</b>	<b>162,144</b>	<b>-</b>

<b>Finance receivable</b>	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
Balance at 1 January	162,144	-	-	-
Amounts transferred from stock (see note 5)	-	-	162,144	-
Additions	220	-	-	-
Finance income reimbursed	(11,753)	-	-	-
Finance income recognised	10,207	-	-	-
Balance at 31 December	<b>160,818</b>	<b>-</b>	<b>162,144</b>	<b>-</b>

<b>Deferred tax asset</b>	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
Balance at 1 January	-	-	-	-
Credit to the profit and loss account in the year	4,899	-	-	-
Balance at 31 December	<b>4,899</b>	<b>-</b>	<b>-</b>	<b>-</b>

At 31 December 2005 the company had a deferred tax asset of £4,899,000 (2004: £1,128,000) in respect of tax losses brought and carried forward. The deferred tax asset has been recognised at 31 December 2005 as it is considered that it will be recoverable in the foreseeable future.

# Exchequer Partnership (No 2) Holdings Limited

## 7 Investments

	2005 £'000	2004 £'000
Fixed price guaranteed investment contract	-	5,134

Investments comprised a fixed price guaranteed investment contract between the company and Ambac Capital Funding Incorporated. The contract provided for fixed withdrawal amounts over the period to January 2005 together with fixed interest income on the balance invested. The interest income was calculated at a rate of 3.846 %.

	Company 2005 £'000	Company 2004 £'000
Company investment in subsidiary undertaking at cost	50	50

The company owns the entire issued share capital of Exchequer Partnership (No 2) Plc, a company incorporated in England. Exchequer Partnership (No 2) Plc is now engaged in a 35 year contract with HM Treasury to renovate and then manage the facilities at the main Treasury buildings formerly Government Offices, Great George Street, Whitehall, London.

## 8 Creditors: amounts falling due within one year

	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
Trade creditors	522	-	795	-
Amounts due to related party undertakings	785	-	1718	-
Tax and social security	555	-	-	-
Accruals	4,674	-	4,175	-
Other loans	-	-	668	-
Loan Stock	472	472	2,897	2,897
Mezzanine Loan	74	-	-	-
Bonds	964	-	108	-
	8,046	472	10,361	2,897

## Exchequer Partnership (No 2) Holdings Limited

### 9 Creditors: amounts falling due after more than one year

	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
Loan Stock	7,185	7,185	-	-
Mezzanine loan	8,976	-	8,632	-
Bonds	159,294	-	160,251	-
	<b>175,455</b>	<b>7,185</b>	<b>168,883</b>	<b>-</b>

	2005				2004			
	Loan Stock £'000	Other loans £'000	Mezzanine loan £'000	Bonds £'000	Loan Stock £'000	Other loans £'000	Mezzanine loan £'000	Bonds £'000
Repayable within one year	472	-	97	1,182	2,897	668	-	108
Repayable between two and five years	2,570	-	482	6,715	-	-	299	5,987
Repayable after five years	4,615	-	8,885	157,000	-	-	8,762	159,057
<b>Total loans outstanding</b>	<b>7,657</b>	<b>-</b>	<b>9,464</b>	<b>164,897</b>	<b>2,897</b>	<b>668</b>	<b>9,061</b>	<b>165,152</b>
Loan issue costs	-	-	(414)	(4,639)	-	-	(429)	(4,793)
<b>Total</b>	<b>7,657</b>	<b>-</b>	<b>9,050</b>	<b>160,258</b>	<b>2,897</b>	<b>668</b>	<b>8,632</b>	<b>160,359</b>

#### Loan stock

The unsecured Loan Notes bear interest at 0% to 13<sup>th</sup> January 2007 and at 15% per annum thereafter. The Loan Notes are redeemed at par in accordance with a deed poll dated 21 January 2003. Any outstanding Loan Stock will be redeemed by 13 January 2037 but they may be redeemed before that date at the company's option on giving notice of no more than 30 days.

#### Mezzanine loan facility

The mezzanine loan facility is scheduled to be repaid by 31 December 2031. Interest charged on the amount drawn under the facility is based on floating LIBOR rate.

As at 31 December 2005, £9,464,000 (2004: £9,061,000) has been drawn under the Mezzanine facility. The total facility is for a maximum of £10.3 million.

#### Bonds

On 15 January 2003 Exchequer Partnership (No2) plc issued £165,145,000 of 5.39%, guaranteed secured bonds due to be repaid in fixed instalments over the period 13 July 2005 to 13 July 2036.

The bonds are secured by charges over all the assets of the company.

# Exchequer Partnership (No 2) Holdings Limited

## 10 Provisions for liabilities and charges

	Lifecycle costs £'000
At 1 January 2005	-
Charged to the profit and loss account in the year	1,147
Utilised during the year	(251)
<b>At 31 December 2005</b>	<b>896</b>

The provision for lifecycle costs is established to provide for replacement costs of significant items of both revenue and capital nature during the concession period.

## 11 Share capital

	2005 £'000	2004 £'000
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	10,000	10,000
<b>Allotted, called up and fully paid</b>		
50,000 ordinary shares of £1 each	50	50

## 12 Reserves

	Company £'000	Group £'000
At 1 January 2005	-	(3,762)
Profit for the year	-	3,805
<b>At 31 December 2005</b>	<b>-</b>	<b>43</b>

## 13 Movements in equity shareholders' funds/(deficit)

	Share capital £'000	Retained loss £'000	Total £'000
Carrying amount at the beginning of the year	50	(3,762)	(3,712)
Profit for the year	-	3,805	3,805
<b>Carrying amount at the end of the year</b>	<b>50</b>	<b>43</b>	<b>93</b>



## Exchequer Partnership (No 2) Holdings Limited

### 14 Reconciliation of net cash flow to movement in net debt

	2005 £'000	2004 £'000
Increase/(decrease) in cash	9,589	(9,230)
Increase in Mezzanine loan	-	(8,080)
Decrease in bond	255	-
Increase in loan stock	(4,760)	(2,897)
Decrease in other loans	668	481
Decrease in liquid resources	(5,134)	(39,117)
<b>Movement in net debt resulting from cash flows</b>	<b>618</b>	<b>(58,843)</b>
<b>Non-cash movements</b>		
Roll up of accrued interest	(403)	(332)
Amortisation of issue costs	(169)	(190)
<b>Movement in net debt in year</b>	<b>46</b>	<b>(59,365)</b>
Opening net debt at 1 January 2005	(161,033)	(101,668)
<b>Closing net debt at 31 December 2005</b>	<b>(160,987)</b>	<b>(161,033)</b>

### 15 Analysis of changes in net debt

	At 1 January 2005 £'000	Cash flow £'000	Other £'000	At 31 December 2005 £'000
Cash in hand and at bank	6,389	9,589	-	15,978
<b>Debt</b>				
Due less than one year	(3,673)	3,673	(1,510)	(1,510)
Due after more than one year	(168,883)	(7,510)	938	(175,455)
Liquid resources	5,134	(5,134)	-	-
	<b>(161,033)</b>	<b>618</b>	<b>(572)</b>	<b>(160,987)</b>

Other changes in net debt comprise amortisation of issue costs £169,000, roll up of interest of £403,000, and reclassification of debt due less than one year of £1,510,000.

### 16 Capital commitments

Under the terms of the contract with the First Secretary of State dated 21 January 2003, the company is committed to payments of approximately £37.9m for lifecycle expenditure over the remaining contract term.

# Exchequer Partnership (No 2) Holdings Limited

## 17 Related party disclosures

The following companies, together with undertakings within their individual groups of companies, are considered to be related parties to the company, as defined in FRS 8.

Bovis Lend Lease Holdings Limited  
Stanhope plc  
GOGGS Development Limited  
Lend Lease Developments Services (UK) Limited  
Exchequer Partnership Plc (common shareholders and directors)  
EP2 Limited (dormant)

### Construction contract

Bovis Lend Lease Limited, a subsidiary of Bovis Lend Lease Holdings Limited, is contracted with Exchequer Partnership (No 2) Plc in respect of the construction and renovation work. The costs charged by Bovis Lend Lease Limited in this regard in the year ended 31 December 2005 totalled £800,000 (2004: £41,487,000).

Stanhope plc fees and sponsor's costs in the year ended 31 December 2005 totalled £603,000 (2004: £1,709,000).

Lend Lease Development Services Limited provided staff and SPV management services to 30 June 2005. The costs charged by Lend Lease Development Services Limited in the year totalled £30,000 (2004: £119,000).

### Facilities Management contracts

Bovis Lend Lease Limited, a subsidiary of Bovis Lend Lease Holdings Limited, is contracted with Exchequer Partnership (No 2) Plc in respect of the hard facilities management contract. The costs charged by Bovis Lend Lease Limited in this regard in the year ended 31 December 2005 totalled £2,794,000 (2004: £639,000).

From 1 July 2005, Catalyst Lend Lease Limited, a subsidiary of Bovis Lend Lease Holdings Limited, provided the SPV Management Services. The costs charged by Catalyst Lend Lease Limited in the year totalled £188,000 (2004: £nil).

### Other costs

Exchequer Partnership Plc and GOGGS Development Limited were reimbursed costs of £171,000 (2004: £nil) and £7,000 (2004: £nil) respectively.

	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
<b>Amounts owed to related parties</b>				
Bovis Lend Lease Limited	691	-	1,324	-
Lend Lease Development Services Limited	90	-	59	-
GOGGS Development Limited	4	-	-	-
Stanhope plc	-	-	335	-
	Group 2005 £'000	Company 2005 £'000	Group 2004 £'000	Company 2004 £'000
<b>Amounts due from related parties</b>				
Bovis Lend Lease Limited (recovery of costs)	15	-	-	-
Exchequer Partnership (No 2) Plc	-	7,657	-	2,897

All transactions with related parties were carried out on arms length terms.

## **Exchequer Partnership (No 2) Holdings Limited**

### **18 Parent undertaking and ultimate controlling party**

In the opinion of the directors, the ultimate controlling party comprises Bovis Lend Lease Holdings Limited, and Stanhope plc acting together.