

Company Number: 3561897

**HAMMERSON LONDON WALL (GP) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2003



## HAMMERSON LONDON WALL (GP) LIMITED

Board of Directors

Mr. M.J. Baker  
Mr. J.A. Bywater  
Mr. P.W.B. Cole  
Mr N.A.S. Hardie  
Mr. G.H. Wright

Secretary and Registered Office

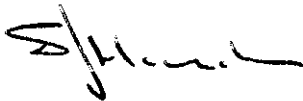
Mr. S.J. Haydon  
100 Park Lane  
London W1K 7AR

### NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 100 Park Lane, London W1K 7AR on 14 October 2004 for the following purposes:

1. To receive the report of the directors and financial statements for the year ended 31 December 2003.
2. To re-appoint Deloitte & Touche LLP as auditors of the Company.
3. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



S.J. Haydon  
Secretary  
14 October 2004

Registered Office:  
100 Park Lane  
London W1K 7AR  
Registered in England and Wales No. 3561897

### Notes:

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his or her stead. That proxy need not also be a member of the Company. Any instrument appointing a proxy must be deposited at the Company's Registered Office by not later than 48 hours before the time fixed for the meeting.

## **HAMMERSON LONDON WALL (GP) LIMITED**

### **REPORT OF THE DIRECTORS**

Year ended 31 December 2003

#### **1. PRINCIPAL ACTIVITIES**

The principal activity of the Company is property development and investment in the United Kingdom.

#### **2. RESULTS AND DIVIDEND**

The Company made a loss of £4,000 during the year (2003: profit £1,000). No dividend was paid or proposed during the current or preceding financial years.

#### **3. REVIEW OF DEVELOPMENTS AND FUTURE PROPECTS**

The Company is a general partner in The London Wall Limited Partnership, the principal business of which is to develop and hold for investment No. 1 London Wall, London, EC2. The directors do not anticipate any significant change in activity for the foreseeable future.

#### **4. DIRECTORS**

- (a) Mr. M.J. Baker, Mr. J.A. Bywater, Mr. P.W.B. Cole, Mr. N.A.S. Hardie and Mr. G.H. Wright were directors of the Company throughout the year.
- (b) Mr I.F.S. Harris resigned as a director of the Company on 21 November 2003.
- (c) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (d) On 31 December 2003 Mr. J.A. Bywater and Mr. P.W.B. Cole were directors of the Company's ultimate parent company, Hammerson plc, in whose financial statements their interests in the shares of that company are given. On 31 December 2003 Mr. M.J. Baker, Mr. N.A.S. Hardie and Mr. G.H. Wright were directors of the Company's immediate parent company, Hammerson UK Properties plc, in whose financial statements their interests in the shares of the ultimate parent company, Hammerson plc, are given.
- (e) None of the directors has any interests in the shares of the Company or any other group company except as noted above.
- (f) No director has any interests in contracts entered into by the Company.

## HAMMERSON LONDON WALL (GP) LIMITED

### REPORT OF THE DIRECTORS

Year ended 31 December 2003

5. SECRETARY

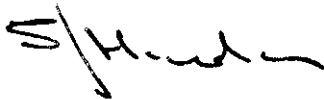
Mr. S.J. Haydon was Secretary of the Company throughout the year.

6. AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of Section 26(s) of the Companies Act 1989.

Deloitte & Touche LLP have indicated their willingness to continue in office in accordance with the provisions of the Companies Act 1985 and a resolution proposing their re-appointment will be put to the sole member at the Annual General Meeting.

By order of the Board



S.J. Haydon  
Secretary  
14 October 2004

Registered Office:  
100 Park Lane  
London, W1K 7AR  
Registered in England No. 3561897

## **HAMMERSON LONDON WALL (GP) LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS**

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

In preparing these 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

## **INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON LONDON WALL (GP) LIMITED**

We have audited the financial statements of Hammerson London Wall (GP) Limited for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholder's deficit and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's member, 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

26<sup>th</sup> October 2004.

**HAMMERSON LONDON WALL (GP) LIMITED**

**PROFIT AND LOSS ACCOUNT**

Year ended 31 December 2003

	<b>Notes</b>	<b>2003</b> <b>£'000</b>	<b>2002</b> <b>£'000</b>
Net rental (expense)/income	1(c)	(4) -----	1 -----
Operating (loss)/profit	2	(4) -----	1 -----
(Loss)/Profit on ordinary activities before and after taxation and retained profit for the financial year	9	(4) =====	1 =====

All activities are derived from continuing operations.

# HAMMERSON LONDON WALL (GP) LIMITED

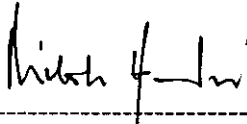
## BALANCE SHEET

31 December 2003

	Note	2003		2002	
		£'000	£'000	£'000	£'000
<b>Tangible fixed assets</b>					
Land and buildings	4		345		216
<b>Current assets</b>					
Debtors	5	3		3	
Cash and deposits		5		23	
		-----		-----	
		8		26	
<b>Creditors: amounts falling due within one year</b>	6	(1)		(61)	
		-----		-----	
<b>Net current assets/(liabilities)</b>			7		(35)
			-----		-----
<b>Total assets less current liabilities</b>			352		181
<b>Creditors: amounts falling due after more than one year</b>	7		(397)		(212)
			-----		-----
<b>Net liabilities</b>			(45)		(31)
			=====		=====
<b>Capital and reserves</b>					
Called up share capital	8		-		-
Revaluation reserve	9		(36)		(26)
Profit and loss account	9		(9)		(5)
			-----		-----
<b>Equity shareholder's deficit</b>			(45)		(31)
			=====		=====

The financial statements were approved by the Board of Directors on 14 October 2004.

Signed on behalf of the Board of Directors

  
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## HAMMERSON LONDON WALL (GP) LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2003

	<b>2003</b> <b>£'000</b>	<b>2002</b> <b>£'000</b>
(Loss)/Profit for financial year	(4)	1
Unrealised deficit on revaluation of properties	(10)	(85)
	-----	-----
Total recognised gains and losses for the year	(14)	(84)
	=====	=====

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S (DEFICIT)/FUNDS

For the year ended 31 December 2003

	<b>2003</b> <b>£'000</b>	<b>2002</b> <b>£'000</b>
Retained (loss)/profit for the financial year	(4)	1
Unrealised deficit on revaluation of properties	(10)	(85)
	-----	-----
Net increase in shareholder's deficit	(14)	(84)
Shareholder's (deficit)/funds at 1 January	(31)	53
	-----	-----
Shareholder's deficit at 31 December	(45)	(31)
	=====	=====

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2003

#### 1. ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with all applicable United Kingdom accounting standards. The financial statements are in compliance with the Companies Act 1985.

The Company's ultimate parent undertaking has confirmed that it will continue to provide financial support for the foreseeable future and accordingly the directors have prepared the financial statements on a going concern basis.

##### (b) Joint arrangements

The financial statements include the financial statements of the Company together with the Company's share of assets, liabilities and cash flows arising from joint arrangements.

##### (c) Net rental income

Rent increases arising from rent reviews due during the year are taken into account when such reviews have been agreed with tenants. Where a lease incentive does not enhance the property, it is amortised over the period to the earlier of the first rent review, the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period of from the date of lease commencement to the date of the first rent review.

Differences between property operating expenditure incurred and that recovered from tenants through service charges are included in net rental income.

##### (d) Cost of properties

An amount equivalent to the net development outgoings, including interest, attributable to properties held for development or resale is added to the cost of such properties. A property is regarded as being in the course of development until ready for its intended use.

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2003

#### 1. ACCOUNTING POLICIES (continued)

##### (e) Valuation of properties

Properties held for the long term are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve. Properties held for resale are stated at the lower of cost and net realisable value.

Where properties held for resale are transferred to or from the investment portfolio, they are transferred at market value.

##### (f) Depreciation

In accordance with Statement of Standard Accounting Practice No 19 "Accounting for investment properties", no depreciation is provided in respect of freehold properties or leasehold properties with over 20 years to expiry. This is a departure from the requirements of the Companies Act 1985 which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

#### 2. OPERATING PROFIT

The directors did not receive any remuneration for services to the Company in the current or preceding financial years.

The Company had no employees in either the current or preceding year.

Another group company has paid the auditors' remuneration in both the current and preceding years.

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2003

#### 3. TAXATION

(a) There is no tax charge or credit on current and preceding years profits or losses as the Company received group relief surrendered without payment (2002: £nil). It is anticipated that for the foreseeable future the Company will not bear current tax as it is the policy of the Hammerson group to surrender group relief without payment.

#### (b) Tax reconciliation

	2003 £'000	2002 £'000
(Loss)/profit on ordinary activities before tax	(4)	1
Profit multiplied by UK corporation tax rate of 30%	(1)	-
Effects of :		
Group relief surrendered without payment	1	-
Current tax charge for the period	-	-

#### 4. LAND AND BUILDINGS

(a) The movements in the year on investment property were:

	<b>Long leasehold £'000</b>
At 1 January 2003	216
Additions at cost	139
Deficit arising on revaluation	(10)
At 31 December 2003	345

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2003

#### 4. LAND AND BUILDINGS (continued)

- (b) The Company's property is stated at market value at 31 December 2003, valued by professionally qualified external valuers. The valuation has been prepared by DTZ Debenham Tie Leung, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The deficit arising on revaluation has been transferred to the revaluation reserve.
- (c) Should the property be disposed of at the valuation in note 4(a) a tax liability of £11,000 is anticipated to arise (2002: £nil).
- (d) The cost of investment property at 31 December 2003 was £381,000 (2002: £242,000).

#### 5. DEBTORS

	2003 £'000	2002 £'000
Other debtors	3	3

#### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £'000	2002 £'000
Amounts owed to immediate parent company	-	21
Other creditors and accruals	1	40
	1	61

#### 7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £'000	2002 £'000
Amounts owed to partners	397	212

Amounts owed to partners are interest free and are repayable in the event that the Partnership, of which the Company is a general partner, is wound up. They are not repayable by instalments.

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2003

#### 8. CALLED UP SHARE CAPITAL

	2003	2002
	£	£
<b>Authorised:</b>		
1,000 shares of £1 each	1,000	1,000
	=====	=====
<b>Called up, allotted and fully paid:</b>		
1 ordinary share of £1	1	1
	=====	=====

#### 9. MOVEMENTS ON RESERVES

	Profit and loss account £'000	Revaluation reserve £'000
Balance at 1 January 2003	(5)	(26)
Loss retained for the year	(4)	-
Deficit arising on revaluation	-	(10)
	-----	-----
Balance at 31 December 2003	(9)	(36)
	=====	=====

#### 10. CASH FLOW AND RELATED PARTY DISCLOSURE

As the Company is a wholly owned subsidiary, it has taken exemption under the terms of Financial Reporting Standard 1 "Cash flow statements" (revised 1996) from preparing a cash flow statement, as it is included in the consolidated financial statements of Hammerson plc, which are publicly available. The Company is also exempt under the terms of Financial Reporting Standard 8 "Related party disclosures" from disclosing related party transactions with entities that are part of the Hammerson plc group.

In the opinion of the directors there are no other related party transactions to be disclosed during the current or preceding years, other than as disclosed in note 7.

#### 11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Hammerson UK Properties plc. The ultimate parent company is Hammerson plc, which is incorporated in Great Britain and is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of its financial statements are available from that company's registered office, 100 Park Lane, London, W1K 7AR.