

Company Number: 3561897

HAMMERSON LONDON WALL (GP) LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2001



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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. I.F.S. Harris
Mr. G.H. Wright

Secretary and Registered Office

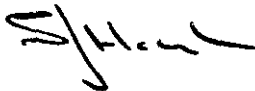
Mr. S.J. Haydon
100 Park Lane
London W1K 7AR

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 31 May 2002 for the following purposes:

1. To receive the report of the directors and financial statements for the year ended 31 December 2001.
2. To re-appoint Deloitte & Touche 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
31 May 2002

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 2001

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 £1,000 during the year (2000: £5,000). No dividend was paid or proposed during the current or preceding financial years.

3. REVIEW OF DEVELOPMENTS AND FUTURE PROPECTS

The Company is the general partner of 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. J.A. Bywater, Mr. P.W.B. Cole, Mr. I.F.S. Harris and Mr. G.H. Wright were directors of the Company throughout the year.
- (b) Mr. M.J. Baker and Mr N.A.S. Hardie were appointed directors of the Company on 1 August 2001.
- (c) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (d) On 31 December 2001 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 2001 Mr. N.A.S. Hardie, Mr. I.F.S. Harris 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. None of the directors has any interests in the shares of the Company or any other group company except as noted above.
- (e) No director has any interest in contracts entered into by the Company.

HAMMERSON LONDON WALL (GP) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2001

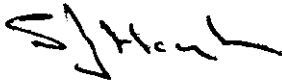
5. SECRETARY

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

6. AUDITORS

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

By order of the Board



S.J. Haydon
Secretary
31 May 2002

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

The directors are required by United Kingdom company law 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.

The directors ensure that, in preparing financial statements, suitable accounting policies have been consistently applied, reasonable and prudent judgements and estimates made, applicable accounting standards have been followed, and that it is appropriate to use the going concern basis.

The directors are responsible for maintaining adequate accounting records so as to enable them to comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and for preventing and detecting 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 2001 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, reconciliation of movements in shareholders' funds and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants
and Registered Auditors
~~31 May 2002~~
13 June

Hill House
1 Little New Street
London
EC4A 3TR

HAMMERSON LONDON WALL (GP) LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
Rents payable and other property outgoings	1(c)	(1) -----	(5) -----
Operating loss	2	(1) -----	(5) -----
Loss on ordinary activities before and after taxation and retained loss for the financial year		(1) =====	(5) =====

All activities are derived from continuing operations.

Movements in reserves are set out in note 9.

HAMMERSON LONDON WALL (GP) LIMITED

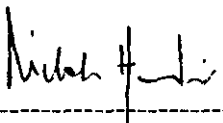
BALANCE SHEET as at 31 December 2001

	Note	2001		2000 * restated	
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Land and buildings	4		148		111
Current assets					
Debtors	5	1		2	
Cash at bank and in hand		6		8	
		-----		-----	
		7		10	
Creditors: amounts falling due within one year	6	(2)		(2)	
		-----		-----	
Net current assets			5		8
			-----		-----
Total assets less current liabilities			153		119
Creditors: amounts falling due after more than one year	7		(100)		(39)
			-----		-----
Net assets			53		80
			=====		=====
Capital and reserves					
Called up share capital	8		-		-
Revaluation reserve	9		59		85
Profit and loss account	9		(6)		(5)
			-----		-----
Equity shareholder's funds			53		80
			=====		=====

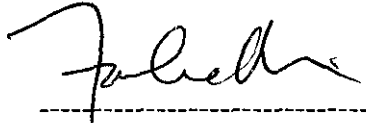
* Comparative figures have been restated as explained in note 1(e), "Valuation of Properties"

The financial statements were approved by the Board of Directors on 31 May 2002.

Signed on behalf of the Board of Directors



N A S HARDIE



I F S HARRIS

HAMMERSON LONDON WALL (GP) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2001

	2001	2000
	£'000	restated* £'000
Loss for financial year	(1)	(5)
Unrealised (deficit) / surplus on revaluation of properties	(26)	85
Total recognised gains and losses for the year	<u>(27)</u>	<u>80</u>
Prior period adjustment (note 1(e))	85	
	<u>58</u>	<u> </u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

For the year ended 31 December 2001

	2001	2000
	£'000	restated* £'000
Retained loss for the financial year	(1)	(5)
Unrealised (deficit) / surplus on revaluation of properties	(26)	85
Net (decrease) / increase in shareholder's funds	<u>(27)</u>	<u>80</u>
Shareholder's funds at 1 January	80	-
Shareholder's funds at 31 December	<u>53</u>	<u>80</u>

Comparative figures have been restated as explained in note 1(e), "Valuation of Properties"

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

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 accounting standards. The financial statements are in compliance with the Companies Act 1985.

(b) Joint arrangements

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

(c) 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 2001

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.

This is a change in the accounting policy for valuation of properties. Previously, properties held for or in the course of development were included in the balance sheet at the lower of cost and recoverable amount. The policy has been changed so that all investment properties are included in the balance sheet at their market value. Comparative figures have been restated in accordance with the revised policy, the effect of which is to reduce land and buildings and shareholder's funds by £26,000 at 31 December 2001, and increase land and buildings and shareholders funds by £85,000 at 31 December 2000.

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, 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 LOSS

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 the current or preceding financial years.

The auditors' remuneration has been paid by a controlling party in both the current and preceding financial years.

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

3. TAXATION

Tax losses in the year were surrendered to group companies without payment.

4. LAND AND BUILDINGS

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

	Long leasehold restated * £'000
At 1 January 2001	111
Additions at cost	63
Deficit arising on revaluation	(26)

At 31 December 2001	148
	=====

* The comparative figure for properties held for or in the course of development has been restated to include them at market value rather than cost.

- (b) The Company's investment property has been valued at 31 December 2001 at market value jointly by Messrs Jones Lang LaSalle, and by Messrs Donaldsons, Chartered Surveyors. The surplus arising on revaluation has been transferred to the revaluation reserve.
- (c) Should the property be disposed of at the valuation in note 5(a) a tax liability not exceeding £17,000 (2000: £27,000) is anticipated to arise. No provision has been made for this liability as it is not expected to arise in the foreseeable future.
- (d) The cost of investment property at 31 December 2001 was £89,000 (2000: £26,000).

5. DEBTORS

	2001 £'000	2000 £'000
Other debtors	1	2
	=====	=====

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £'000	2000 £'000
Borrowings		
Unsecured overdraft	2	2
	<u>2</u>	<u>2</u>

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

	2001 £'000	2000 £'000
Unsecured borrowings		
Amounts owed to partners	100	39
	<u>100</u>	<u>39</u>

Borrowings 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.

8. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
1,000 shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

9. MOVEMENTS ON RESERVES

	Profit and loss account £'000	Revaluation reserve £'000
Balance at 1 January 2001	(5)	85
Loss retained for the year	(1)	-
Deficit arising on revaluation	-	(26)
	<u>(6)</u>	<u>(26)</u>
Balance at 31 December 2001	(6)	59
	<u>(6)</u>	<u>59</u>

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

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 (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 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.

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company and controlling company is Hammerson UK Properties plc. The ultimate parent and controlling company is Hammerson plc, which is registered in England and Wales. Copies of its financial statements are available from that company's registered office, 100 Park Lane, London W1K 7AR.

Partnership registration: LP5855

THE LONDON WALL LIMITED PARTNERSHIP

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2001

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
NO: 3561897

THE LONDON WALL LIMITED PARTNERSHIP

CONTENTS	PAGE
Report of the General Partners	2
Statement of Partnership Responsibilities	3
Auditors' Report to the Partners	4
Profit and Loss Account	5
Balance Sheet	6
Statement of Total Recognised Gains and Losses	7
Reconciliation of movements in Partners' funds	7
Reconciliation of net cash flow to movements in net debt	8
Cash Flow Statement	9
Notes to the Accounts	10-14

THE LONDON WALL LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNERS

Year ended 31 December 2001

The general partners submit their report and the Partnership financial statements for the year ended 31 December 2001.

1. BUSINESS REVIEW AND FUTURE PROSPECTS

The Partnership's principal business is to develop and hold for investment No.1 London Wall, London EC2. The general partners do not anticipate any significant change in activity in the foreseeable future.

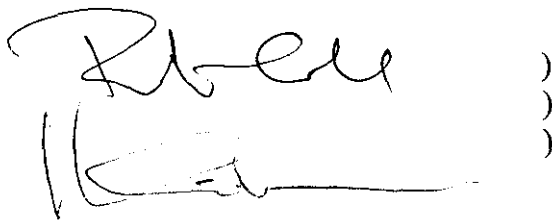
2. RESULTS

A loss of £217,000 was made during the year (2000: £909,000).

3. AUDITORS

Deloitte & Touche, who were appointed by the Deed of Limited Partnership dated 11 August 1998, have indicated their willingness to continue in office.

Approved by Kajima City Developments Limited and Hammerson London Wall (GP) Limited general partners, and signed on their behalf



Directors

The limited partners are Kajima London Wall Investments Limited and Hammerson London Wall Investments Limited.

18 June 2002

100 Park Lane, London, W1K 7AR

THE LONDON WALL LIMITED PARTNERSHIP

PARTNERSHIP RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The London Wall Limited Partnership ('the Partnership') is registered pursuant to the provisions of The Limited Partnerships Act 1907. The Partnerships and Unlimited Companies (Accounts) Regulations 1993 (SI 1820, 1993) require certain qualifying partnerships to prepare and have audited annual accounts and reports as required for a company by the Companies Act 1985. The Partnership is a qualifying partnership as all its members are limited companies.

Hammerson London Wall (GP) Limited and Kajima City Developments Limited, acting as the general partners, are responsible under Article 13.2 of the Limited Partnership Agreement of 11 August 1998 for the preparation of the Partnership accounts in accordance with English law and generally accepted accounting principles and practices.

The general partners are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Partnership as at the end of the financial year and of the profit or loss of the Partnership for that period. In preparing those financial statements, the general partners are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent and 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 Partnership will continue in business.

The general partners are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with SI 1820, 1993 (Regulation 4). Then they are also responsible for safeguarding the assets of the Partnership and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THE LONDON WALL LIMITED PARTNERSHIP

We have audited the financial statements of The London Wall Limited Partnership for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of partners' responsibilities, the general partners 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 regulation 4 of SI 1820/1993 (Partnerships and Unlimited Companies (Accounts) Regulations 1993) and the Limited Partnership Agreement. We also report if, in our opinion, the general partner's report is not consistent with the financial statements, if the Partnership 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 transactions with the partnership is not disclosed.

We read the general partner's 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 Partnership'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 Partnership's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with regulation 4 of SI 1820/1993 (Partnerships and Unlimited Companies (Accounts) Regulations 1993).

Deloitte & Touche
Deloitte & Touche
Hill House
1 Little New Street
London
EC4A 3TR

Chartered Accountants
and Registered Auditors
21 June 2002

THE LONDON WALL LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Gross rental income	1(c)	-	46
Rents payable and other property outgoings		(209)	(1,043)
		-----	-----
Net rental expense		(209)	(997)
Administration expenses	3	(11)	-
		-----	-----
Operating loss on ordinary activities before interest		(220)	(997)
Interest received	4	-	88
		-----	-----
Loss on ordinary activities before and after taxation and retained loss for the financial year	10	(220)	(909)
		=====	=====

Movements in reserves are set out in note 10 on page 13.

All activities derive from continuing operations.

THE LONDON WALL LIMITED PARTNERSHIP

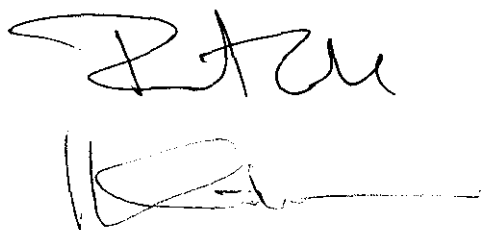
BALANCE SHEET

As at 31 December 2001

	Note	2001		2000	
		£'000	£'000	£'000	£'000
Tangible fixed assets:					
Land and buildings	5		17,840		5,168
Current assets:					
Debtors	6	267		382	
Cash at bank and in hand		1,400		1,500	
Total current assets		1,667		1,882	
Creditors: amounts falling due within one year	7	(486)		(283)	
Net current assets			1,181		1,599
Total assets less current liabilities			19,021		6,767
Creditors: amounts falling due after more than one year	8		(20,050)		(7,576)
Net liabilities			(1,029)		(809)
Partners' capital accounts	9		100		100
Partners' current accounts	10		(1,129)		(909)
Partners' deficit			(1,029)		(809)

The financial statements were approved by the management committee in accordance with the Deed of Partnership on 18 June 2002.

Signed on behalf of the management committee.



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)
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Committee members

THE LONDON WALL LIMITED PARTNERSHIP

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2001

	2001 £'000	2000 £'000
Retained loss for the financial year	(220)	(909)
Total recognised losses for the year	<u>(220)</u>	<u>(909)</u>

RECONCILIATION OF MOVEMENTS IN PARTNERS' FUNDS

For year ended 31 December 2001

	2001 £'000	2000 £'000
Partners' funds at 1 January	(809)	100
Retained loss for the financial year	(220)	(909)
Partners' funds at 31 December	<u>(1,029)</u>	<u>(809)</u>

THE LONDON WALL LIMITED PARTNERSHIP

ANALYSIS OF MOVEMENT IN NET DEBT

Year ended 31 December 2001

	Short term deposits £'000	Cash at bank £'000	Borrowings due after one year £'000	Net debt £'000
Balance as at 1 January 2001	1,500	(258)	(7,576)	(6,334)
Cashflow	(100)	25	(12,474)	(12,549)
Balance as at 31 December 2001	<u>1,400</u>	<u>(233)</u>	<u>(20,050)</u>	<u>(18,883)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Year ended 31 December 2001

	2001 £'000	2000 £'000
Increase/(decrease) in cash in the period	25	(259)
Decrease in short term deposits	(100)	(758)
Increase in debt	(12,474)	(2,600)
Change in net debt resulting from cashflow	<u>(12,549)</u>	<u>(3,617)</u>
Net debt at 1 January	(6,334)	(2,717)
Net debt at 31 December	<u>(18,883)</u>	<u>(6,334)</u>

THE LONDON WALL LIMITED PARTNERSHIP

CASH FLOW STATEMENT Year ended 31 December 2001

	2001 £'000	2000 £'000
Operating loss	(220)	(997)
Decrease/(Increase) in debtors	115	(369)
Increase/(Decrease) in creditors	228	(102)
	-----	-----
Cash inflow/(outflow) from operating activities	123	(1,468)
Cash inflow from returns on investment and servicing of finance		
Interest received	93	88
Financial investments and capital expenditure		
Capital expenditure	(12,765)	(2,237)
	-----	-----
Cash outflow before use of short term deposits and financing	(12,549)	(3,617)
Movement in short term deposits	100	758
Partners' funds advanced	12,474	2,600
	-----	-----
Increase/(Decrease) in cash in the period	25	(259)
	=====	=====

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards and under Regulation 4 of The Partnership and Unlimited Companies (Accounts) Regulations 1993.

The Partnership's ultimate parent undertakings have confirmed that they 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) Cost of properties

Properties in the course of development are held at the lower of cost and recoverable amount. 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.

On new developments, all letting costs are capitalised. On subsequent lettings, the previous costs are written off against the results for the period and the new costs capitalised. Where new costs are less than those previously capitalised, such new costs are written off.

(a) Net Rental income

Rent increases arising from rent reviews 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 end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period 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 services charges are included in net rental income.

2. LIMITED PARTNERSHIP AGREEMENT ('The Agreement')

(a) The Agreement dated 11 August 1998 states that the purpose of the Partnership is to carry out property investment.

(b) During the financial year Kajima City Developments Limited and Hammerson London Wall (GP) Limited, acting as the general partners, each had an interest of 0.5% in the profits and assets of the Partnership respectively. Kajima London Wall Investments Limited and Hammerson London Wall Investments Limited, acting as the limited partners, had interests of 49.5% each in the profits and assets of the Partnership.

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

3. ADMINISTRATION EXPENSES

	2001 £'000	2000 £'000
Auditor's remuneration	(11)	-

The Partnership had no employees in the current or preceding financial years.

All audit fees, including expenses, were paid by the partners during the preceding financial year.

4. COST OF FINANCE

	2001 £'000	2000 £'000
Interest received	93	88
Interest receivable capitalised	(93)	-
	-----	-----
	-	88

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

5. LAND AND BUILDINGS

	Long leasehold £'000
The movements in cost in the year were:	
1 January 2001	5,168
Additions at cost	12,765
Interest receivable capitalised	(93)

At 31 December 2001	<u>17,840</u>

6. DEBTORS

	2001 £'000	2000 £'000
Trade debtors	2	166
Other debtors	265	216
	-----	-----
	<u>267</u>	<u>382</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £'000	2000 £'000
BORROWINGS		
Unsecured overdraft	233	258
	-----	-----
OTHER UNSECURED CREDITORS		
Trade creditors	140	25
Amounts due to parent company	13	-
Other creditors	92	-
Accruals	8	-
	-----	-----
	<u>486</u>	<u>283</u>

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £'000	2000 £'000
UNSECURED BORROWINGS		
Amounts owed to partners	20,050	7,576

Borrowings are interest free and are repayable in the event that the Partnership is wound up. They are not repayable by instalments.

9. PARTNERS' CAPITAL ACCOUNTS

	2001 £'000	2000 £'000
General partners	1	1
Limited partners	99	99
	-----	-----
	100	100

The partners' capital contribution is in proportion to each partner's interest. Under the Limited Partnership Agreement no further capital is required to be injected and no interest is payable on the capital.

10. PARTNERS' CURRENT ACCOUNTS

	£'000
At 1 January 2001	(909)
Retained loss for the year	(217)

At 31 December 2001	(1,126)

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2001

11. RELATED PARTY TRANSACTIONS

Subject to note 8 there were no material related party transactions during the year.

12. ULTIMATE CONTROLLING PARTIES

The partnership is controlled by the partners listed in note 2.

The ultimate controlling parties are Kajima London Wall and Hammerson plc.

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

Kajima London Wall is incorporated in Great Britain. Copies of its financial statements are available from the company's registered office, Grove House, 248A Marylebone Road, London NW1 6JZ.