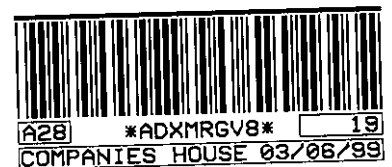


Company Number: 3561897

**HAMMERSON LONDON WALL (GP) LIMITED**  
(Formely Shelfco (No.1498) Limited)

REPORT AND FINANCIAL STATEMENTS

Period ended 31 December 1998



**HAMMERSON LONDON WALL (GP) LIMITED**

Board of Directors

Mr R.J.G. Richards  
Mr P.W.B Cole  
Mr I.F.S. Harris  
Mr G.H. Wright

Secretary and Registered Office

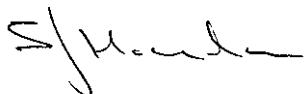
Mr S.J. Haydon  
100 Park Lane  
London W1Y 4AR

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 100 Park Lane, London W1Y 4AR on 24 March 1999 for the following purposes:

1. To receive the report of the directors and financial statements for the period ended 31 December 1998.
2. To reappoint 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  
24 March 1999

Registered Office:  
100 Park Lane  
London W1Y 4AR  
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 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

Period ended 31 December 1998

#### 1. INCORPORATION AND CHANGE OF NAME

The Company was incorporated on 12 May 1998 as Shelfco (No. 1498) Limited. On 23 July 1998 the name of the Company was changed to Hammerson London Wall (GP) Limited.

#### 2. SHARE CAPITAL

The Company was incorporated with authorised share capital of £1000 represented by 1000 ordinary shares of £1 of which one was issued fully paid on 23 July 1998.

#### 3. PRINCIPAL ACTIVITIES

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

#### 4. DIVIDEND

No dividend was paid or proposed during the period.

#### 5. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

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

#### 6. DIRECTORS

- (a) Mikjon Limited was appointed the sole director on 12 May 1998 and resigned on 23 July 1998.
- (b) Mr R.J.G. Richards, Mr P.W.B. Cole, Mr I.F.S. Harris and Mr G.H. Wright were appointed directors of the Company on 23 July 1998.
- (c) In accordance with the Articles of Association of the Company, the directors are not required to retire at the first Annual General Meeting, or to retire by rotation.
- (d) Mr R.J.G. Richards is a director of the Company's ultimate parent company, Hammerson plc, in whose financial statements his interests in the shares of that company are given. Mr P.W.B Cole, Mr I.F.S. Harris and Mr G.H. Wright are 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.

**HAMMERSON LONDON WALL (GP) LIMITED**

**REPORT OF THE DIRECTORS**

Period ended 31 December 1998

(e) No director has any interest in contracts entered into by the Company.

7. YEAR 2000

The Company has recognised the importance of the Year 2000 issue and has initiated projects to identify computer systems at risk from the inability to deal with the millennium date change. The projects cover systems within the Company's own offices, the offices of its contractors and in buildings under development. Work is in hand to ensure that new systems are compliant.

Agreements with all contractors include warranties against non - millennium compliant systems.

Currently the only activity of the Company is development and the cost of the Year 2000 project is not separable from the cost of development as a whole.

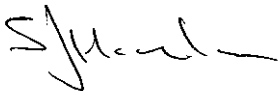
8. SECRETARY

EPS Secretaries Limited was appointed as Secretary on 12 May 1998 and resigned on 23 July 1998. Mr. S.J. Haydon was appointed Secretary on 23 July 1998.

9. AUDITORS

Deloitte & Touche, who were appointed by the directors as auditors to the Company on 23 July 1998, 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  
24 March 1999

Registered Office:  
100 Park Lane  
London W1Y 4AR  
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 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 the financial statements, suitable accounting policies have been consistently applied, reasonable and prudent judgements and estimates made, applicable accounting standards 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

**HAMMERSON LONDON WALL (GP) LIMITED**  
(Formerly Shelfco (No.1498) Limited)

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 31 December 1998 and of its result for the period from 12 May 1998 to 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

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

*Deloitte & Touche*

Chartered Accountants  
and Registered Auditors  
~~24 March~~ 1999

*7 May*

## HAMMERSON LONDON WALL (GP) LIMITED

### PROFIT AND LOSS ACCOUNT

Period ended 31 December 1998

The Company made neither profit nor loss during the period. There are no recognised gains or losses or movements in shareholders' funds for the period other than as stated in the balance sheet.

### BALANCE SHEET as at 31 December 1998

	Note	1998 £'000	1998 £'000
Tangible fixed assets			
Land & buildings	3		1
Current assets			
Debtors	4	8	
Cash at bank and in hand		2	
		-----	
Total current assets		10	
Creditors: amounts falling due within one year	5	9	
		-----	
Net current assets			1
			-----
Total assets less current liabilities			2
Creditors: amounts falling due after more than one year	6		2
			-----
			-
			=====
Capital and reserves			
Called up share capital	7		-
			-----
Equity shareholders' funds			-
			=====

The financial statements were approved by the Board of Directors on 24 March 1999

Signed on behalf of the Board of Directors



I.F.S. Harris  
Director

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS Period ended 31 December 1998

#### 1. ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with all applicable accounting standards. The financial statements are in compliance with the Companies Act 1985.

##### (b) Consolidation

The Company is exempt from the requirement to prepare group accounts. The Company's results are included in the group accounts of Hammerson plc, a company registered in England and Wales.

##### (c) 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.

##### (d) 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 substantially let and income producing or until income exceeds outgoings.

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



**HAMMERSON LONDON WALL (GP) LIMITED**

**NOTES TO THE ACCOUNTS**  
Period ended 31 December 1998

**2. ADMINISTRATION EXPENSES**

The directors did not receive any remuneration for services to the Company in the period.

The Company has no employees.

The auditors' remuneration is paid by another group company.

**3. TANGIBLE FIXED ASSETS**

	<b>1998</b> <b>£'000</b>
Cost incurred:	
At 12 May 1998	-
Additions at cost	1
	-----
At 31 December 1997	1
	=====

**4. DEBTORS**

	<b>1998</b> <b>£'000</b>
Other debtors	8
	-----
	8
	=====

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>1998</b> <b>£'000</b>
Amounts owed to fellow subsidiary	8
	-----
	8
	=====

**HAMMERSON LONDON WALL (GP) LIMITED**

NOTES TO THE ACCOUNTS  
Period ended 31 December 1998

**6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>1998</b>
	<b>£'000</b>
Amounts owed to ultimate parent company	2
	<u><u>2</u></u>

**7. CALLED UP SHARE CAPITAL**

	<b>1998</b>
	<b>£</b>
Authorised:	
1,000 ordinary shares of £1 each	1,000
	<u><u>1,000</u></u>
Called up, allotted and fully paid:	
1 ordinary share of £1	1
	<u><u>1</u></u>

**8. RELATED PARTIES**

The Company has taken advantage of the exemption permitted by section 3 of Financial Reporting Standard 8: Related Party Disclosures in not disclosing transactions with other group companies.

**9. ULTIMATE PARENT COMPANY**

The ultimate parent company and ultimate controlling party 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, W1Y 4AR.

Partnership registration: LP5855

ATTACHED TO  
CO N<sup>o</sup> 3561897  
LIMITED PARTNERSHIP

**THE LONDON WALL LIMITED PARTNERSHIP**

REPORT AND FINANCIAL STATEMENTS

Period ended 31 December 1998

## THE LONDON WALL LIMITED PARTNERSHIP

<b>CONTENTS</b>	<b>PAGE</b>
Report of the General Partners	2-3
Statement of Partnership Responsibilities	4
Auditors' Report to the Partners	5
Profit and loss Account	6
Balance Sheet	6
Cash Flow Statement	7
Notes to the Accounts	8-10

## REPORT OF THE GENERAL PARTNERS

Period ended 31 December 1998

The general partners submit their report and the Partnership financial statements for the period ended 31 December 1998.

### 1. FORMATION OF PARTNERSHIP AND PRINCIPAL ACTIVITY

On 11 August 1998, Kajima London Wall Limited which is owned by Kajima UK Development Limited and Hammerson London Wall Investments Limited (a wholly owned subsidiary company of Hammerson UK Properties plc), a company registered in England and whose ultimate parent company is Hammerson plc formed a limited partnership named The London Wall Limited Partnership ("the Partnership"). The general partners are Hammerson London Wall (GP) Limited and Kajima City Developments Limited.

The general terms of the Partnership, the basis of its operations and management of its activities are set out in Note 2 to the accounts.

### 2. 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.

### 3. RESULTS

No profit or loss was made during the period.

### 4. YEAR 2000

The Partnership has recognised the importance of the Year 2000 issue and has initiated projects to identify computer systems at risk from the inability to deal with the millennium date change. The projects cover systems within the Partnership's own offices, the offices of its contractors and in buildings under development. Work is in hand to ensure that new systems are compliant.

Agreements with all contractors include warranties against non - millennium compliant systems.

Currently the only activity of the Partnership is development and the cost of the Year 2000 project is not separable from the cost of development as a whole.

5. 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 its behalf



\_\_\_\_\_

Director



\_\_\_\_\_

Director

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

## **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 acting as the general partner, is 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 year. 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;
- state whether applicable accounting standards have been followed;
- 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 it to ensure that the financial statements comply with SI 1820, 1993 (Regulation 4). It is also responsible for safeguarding the assets of the Partnership and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## THE LONDON WALL LIMITED PARTNERSHIP

### AUDITORS' REPORT TO THE PARTNERS

We have audited the financial statements on pages 6 to 10 which have been prepared under the accounting policies set out on page 8.

#### Respective responsibilities of partners and auditors

As described on page 4 the general partners are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### 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 general partners 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 1998 and of its result for the period from 11 August 1998 to 31 December 1998 and have been properly prepared in accordance with SI 1820, 1993 (Regulation 4) and the Limited Partnership Agreement Companies Act 1985.

*D Hinkle & Touche*

Hill House  
1 Little New Street  
London  
EC4A 3TR

Chartered Accountants  
and Registered Auditors

*21 May 1999*



**THE LONDON WALL LIMITED PARTNERSHIP**

**PROFIT AND LOSS ACCOUNT**

Period ended 31 December 1998

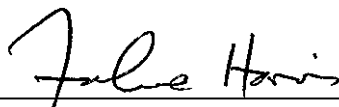
The partnership made neither profit nor loss during the year. There are no recognised gains or losses or movements in partners' funds other than as stated in the balance sheet.

BALANCE SHEET as at 31 December 1998

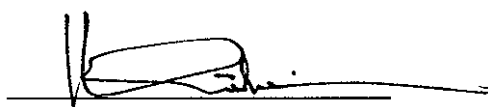
	Note	1998	
		£'000	£'000
Tangible fixed assets			
Land and buildings	4		284
Current assets			
Debtors	5	8	
Cash at bank and in hand		236	
		-----	
Total current assets			244
Creditors: amounts falling due within one year	6	28	
		-----	
Net current assets			216
			-----
Total assets less current liabilities			500
Creditors: amounts falling due after more than one year	7		400
			-----
			100
			=====
Partners' capital accounts	8		100
			-----
Partners' funds			100
			=====

The financial statements were approved by the management committee in accordance with the Deed of Partnership on *7<sup>th</sup> May 1999*

Signed on behalf of the management committee.



Committee member



Committee member

## THE LONDON WALL LIMITED PARTNERSHIP

### CASH FLOW STATEMENT

Period ended 31 December 1998

	<b>1998</b>
	<b>£'000</b>
Net cash outflow from operating activities – increase in debtors	(8)
Cash outflow from capital expenditure	(256)
	-----
Cash outflow before use of liquid resources and financing	(264)
Cash inflow from financing	500
	-----
Increase in cash in the period	236
	=====

### ANALYSIS OF MOVEMENT IN NET DEBT

Period ended 31 December 1998

	<b>Cash at bank £'000</b>	<b>Borrowings due after 1 year £'000</b>	<b>Net debt £'000</b>
Balance as at 11 August 1998	-	-	-
Cashflow	236	(400)	(164)
	-----	-----	-----
Balance as at 31 December 1998	236	(400)	(164)
	=====	=====	=====

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Period ended 31 December 1998

	<b>1998</b>
	<b>£'000</b>
Increase in cash in the period	236
Increase in debt	(400)
	-----
Change in net debt resulting from cashflow	(164)
	=====

## THE LONDON WALL LIMITED PARTNERSHIP

### NOTES TO THE ACCOUNTS Period ended 31 December 1998

#### 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.

##### (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 substantially let and income producing or until income exceeds outgoings.

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.

#### 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 period Kajima Developments Limited and Hammerson London Wall(GP) Limited acting as the general partners had an interest of 1% 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% each in the profits and assets of the Partnership.

#### 3. ADMINISTRATION EXPENSES

The directors of the General Partners did not receive any remuneration for services to the company during the period.

The Partnership has no employees.

The auditors' remuneration has been paid by a partner.

## THE LONDON WALL LIMITED PARTNERSHIP

### NOTES TO THE ACCOUNTS Period ended 31 December 1998

#### 4. LAND AND BUILDINGS

	<b>£'000</b>
(a) The movements in the period were:	
At 11 August 1998	-
Additions at cost	284
	-----
At 31 December 1998	284
	=====

#### 5. DEBTORS

	<b>1998 £'000</b>
Other debtors	8
	-----
	8
	=====

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

	<b>1998 £'000</b>
Trade creditors	28
	=====

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

	<b>1998 £'000</b>
UNSECURED BORROWINGS	
Amounts owed to partners	400
	=====

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

## THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS  
Period ended 31 December 1998

### 8. PARTNERS' CAPITAL ACCOUNTS

	<b>1998</b> <b>£'000</b>
General partners	1
Limited partners	99
	-----
	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.

### 9. RELATED PARTY TRANSACTIONS

Subject to note 7 there were no material related party transactions during the period.

### 10. CONTROLLING PARTIES

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