

Company Number: 3234235

GOVERNEFFECT LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2004



GOVERNMENT LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2004

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The directors anticipate that the Company will continue to hold investments for the foreseeable future.

2. DIVIDEND

No dividend was paid or proposed during the year (2003: £nil).

3. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Company has not traded during the year and consequently has made neither a profit nor loss. The directors expect that the present level of activity will not change for the foreseeable future.

4. DIRECTORS

- (a) Mr. J.A. Bywater, Mrs. V. Forster and Mr. N.A.S. Hardie were directors of the Company throughout the year.
- (b) Mr. A. F. Pritchard and Mr. C. Davis resigned as directors on 13 December 2004.
- (c) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (d) None of the directors have any interests in the shares of the Company.
- (e) No director has any interest in contracts entered into by the Company.

5. SECRETARY

- (a) Mr. S.J. Haydon was appointed secretary on 23 April 2004.
- (b) Mrs. N. Walters resigned as Secretary on 23 April 2004.

GOVERN EFFECT LIMITED

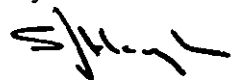
REPORT OF THE DIRECTORS

Year ended 31 December 2004

6. AUDITORS

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

Registered Office:
100 Park Lane
London W1K 7AR
Registered in England and Wales No. 3234235

GOVERN EFFECT 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GOVERN EFFECT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2004

The Company has not traded during the current or preceding years and has made neither profit nor loss. There are no other recognised gains or losses and therefore no separate statement of total recognised gains and losses has been presented.

There have been no other movements in shareholders' funds during the current or preceding years, therefore no separate statement of the movement in shareholders' funds has been presented.

BALANCE SHEET

31 December 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	3	1,500	1,500
CURRENT ASSETS			
Debtors	4	2	2
CREDITORS: amounts falling due within one year	5	(1,500)	(1,500)
NET CURRENT LIABILITIES		(1,498)	(1,498)
TOTAL ASSETS LESS CURRENT LIABILITIES		2	2
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Equity shareholders' funds		2	2

(a) For the year ended . 31 December 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

(b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

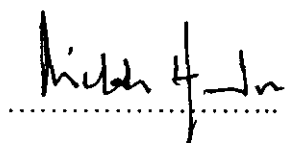
(c) The directors acknowledge their responsibility for:

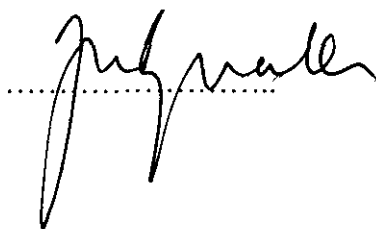
- ensuring the company keeps accounting records which comply with section 221; and

- preparing accounts 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 its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

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

Signed on behalf of the Board of Directors


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GOVERN EFFECT LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

2. ADMINISTRATION EXPENSES

The Company has not paid any directors emoluments during the current or preceding years. As the Company is non-trading the services of the directors are of a non-executive nature, and their emoluments are deemed wholly attributable to their services to other group companies. Accordingly, no director emoluments are disclosed for the current or preceding years.

The Company did not pay any remuneration, including expenses, to the Company's auditors. The auditors' remuneration has been paid by a controlling party in both the current and preceding financial years.

The Company has not had any employees at any point during the current or preceding years.

3. INVESTMENTS

	2004 £	2003 £
Cost	<u>1,500</u>	<u>1,500</u>

The above investment comprises 0.01% beneficial interest in a protective lease on the site of a shopping centre investment. The balance of the interest is held by the immediate parent company.

GOVERN EFFECT LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

4. DEBTORS

	2004 £	2003 £
Amount owed by immediate parent company	2	2

The above amount is due after more than one year.

5. CREDITORS

	2004 £	2003 £
Amount owed to immediate parent company	1,500	1,500

6. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	£	£
Called up, allotted and unpaid:		
2 ordinary shares of £1 each	2	2

GOVERN EFFECT LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2004

7. CASH FLOW AND RELATED PARTY DISCLOSURE

As the Company has not traded during the current or preceding year there is no cash flow information to disclose.

The Company is 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.

8. ULTIMATE CONTROLLING PARTIES

The immediate parent undertaking is West Quay Shopping Centre Limited, 100% of the shares of which are ultimately controlled by Hammerson plc.