

Company Number: 3561897

**HAMMERSON LONDON WALL (GP) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2005



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

### **REPORT OF THE DIRECTORS**

Year ended 31 December 2005

#### **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 £3,000 during the year (2004: £7,000 loss). 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 D J Atkins was appointed as a director of the Company on 1 January 2005.
- (c) Mr. M.J. Baker and Mr. G.H. Wright resigned as directors of the Company on 30 June 2006.
- (b) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (c) On 31 December 2005 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 2005 Mr D.J. Atkins, 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.
- (d) 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 interests in contracts entered into by the Company.

#### **5. SECRETARY**

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

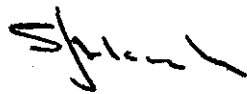
**HAMMERSON LONDON WALL (GP) LIMITED**

**REPORT OF THE DIRECTORS**  
**Year ended 31 December 2005**

**6. AUDITORS**

The Company has elected to dispense with the obligation to appoint auditors annually and accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

By order of the Board



S.J. Haydon  
Secretary

Registered Office:  
10 Grosvenor Street  
London, W1K 4BJ  
Registered in England No. 3561897

**17 AUG 2006**

## **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 2005 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 funds 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 members, as a body, 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 members those matters we are required to state to them in an auditors' 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 members as a body, 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework 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 other transactions 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 or material inconsistencies with the financial statements.

### **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.

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

**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 company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors  
London

*4 September 2006*

**HAMMERSON LONDON WALL (GP) LIMITED****PROFIT AND LOSS ACCOUNT**Year ended 31 December 2005

	<b>Notes</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Gross rental income		12	6
Net rents payable and other property outgoings		(11)	(7)
		-----	-----
Net rental income/(expense)	1(c)	1	(1)
		-----	-----
Administration expenses		(2)	(1)
		-----	-----
Loss on ordinary activities before taxation	2	(1)	(2)
Taxation	3	(2)	(5)
		-----	-----
Loss on ordinary activities after taxation and retained loss for the financial year	9	(3)	(7)
		=====	=====

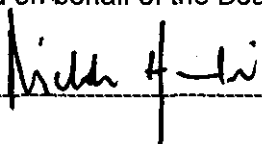
All activities are derived from continuing operations.

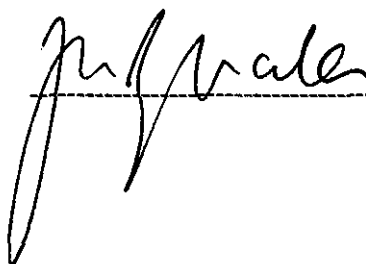
**HAMMERSON LONDON WALL (GP) LIMITED****BALANCE SHEET****31 December 2005**

	Note	£'000	2005 £'000	£'000	2004 £'000
<b>Tangible fixed assets</b>					
Land and buildings	4		592		453
<b>Current assets</b>					
Debtors	5	4		6	
Cash and deposits		1		2	
		-----		-----	
		5		8	
<b>Creditors: amounts falling due within one year</b>	6	(4)		(9)	
		-----		-----	
<b>Net current assets/(liabilities)</b>			1		(1)
			-----		-----
<b>Total assets less current liabilities</b>			593		452
<b>Creditors: amounts falling due after more than one year</b>	7		(438)		(412)
<b>Provisions for liabilities and charges</b>					
Deferred tax	3		(7)		(5)
			-----		-----
<b>Net assets</b>			148		35
			=====		=====
<b>Capital and reserves</b>					
Called up share capital	8		-		-
Revaluation reserve	9		167		51
Profit and loss account	9		(19)		(16)
			-----		-----
<b>Equity shareholder's funds</b>			148		35
			=====		=====

The financial statements were approved by the Board of Directors on **17 AUG 2006**

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 2005

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b>
Loss for financial year	(3)	(7)
Unrealised surplus on revaluation of properties	116	87
	-----	-----
Total recognised gains for the year	113	80
	=====	=====

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT)**For the year ended 31 December 2005

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b>
Retained loss for the financial year	(3)	(7)
Unrealised surplus on revaluation of properties	116	87
	-----	-----
Net increase in shareholder's surplus	113	80
Shareholder's funds/(deficit) at 1 January	35	(45)
	-----	-----
Shareholder's funds at 31 December	148	35
	=====	=====

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

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2005**

#### **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 law and 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, liabilities and cash flows arising from joint arrangements. Hammerson London Wall (GP) Limited, acting as a general partner, has an interest of 0.5% in the profits and assets of The London Wall Limited Partnership.

##### **(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.

##### **(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) Deferred taxation**

In accordance with Financial Reporting Standard 19 "Deferred tax", deferred tax is provided in respect of all timing differences that may give rise to an obligation to pay more or less tax in the future. Deferred taxation is not discounted.

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

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2005**

#### **1. ACCOUNTING POLICIES (continued)**

##### **(g) 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 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 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 2005

### **3. TAXATION**

(a) Tax charge	2005 £'000	2004 £'000
Deferred tax	2	5
	=====	=====

### **(b) Factors affecting current tax charge**

The corporation tax charge for the period differs from the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(1)	(2)
	-----	-----
Loss multiplied by UK corporation tax rate of 30%	-	(1)
Effects of:		
Capital allowances	(2)	(5)
Group relief surrendered without payment	2	6
	-----	-----
Current tax charge for the period	-	-
	=====	=====

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.

(c) Deferred tax	2005 £'000	2004 £'000
Opening provision	5	-
Profit and loss account charge	2	5
	-----	-----
Closing provision	7	5
	=====	=====

The deferred tax provision is made up as follows:

	2005 £'000	2004 £'000
Capital allowances	7	5
	=====	=====

# HAMMERSON LONDON WALL (GP) LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2005

### 4. LAND AND BUILDINGS

- (a) The movements in the year on investment property were:
- |                                | Long leasehold<br>£'000 |
|--------------------------------|-------------------------|
| At 1 January 2005              | 453                     |
| Additions at cost              | 23                      |
| Surplus arising on revaluation | 116                     |
|                                | -----                   |
| At 31 December 2005            | 592                     |
|                                | =====                   |
- (b) The Company's property is stated at market value at 31 December 2005, 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 £69,300 is anticipated to arise (2004: £36,000).

The cost of investment property at 31 December 2005 was £425,000 (2004: £402,000 ).

### 5. DEBTORS

	2005 £'000	2004 £'000
Trade debtors	2	5
Other debtors	2	1
	-----	-----
	4	6
	=====	=====

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

	2005 £'000	2004 £'000
Trade creditors	2	5
Amounts owed to immediate parent company	1	3
Other creditors and accruals	1	1
	-----	-----
	4	9
	=====	=====

## HAMMERSON LONDON WALL (GP) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2005

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

	2005 £'000	2004 £'000
Amounts owed to the limited partners of the London Wall Limited Partnership	438 =====	412 =====

Amounts owed to the limited 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.

#### 8. CALLED UP SHARE CAPITAL

	2005 £	2004 £
<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 2005	(16)	51
Loss retained for the year	(3)	-
Surplus arising on revaluation	-	116
	-----	-----
Balance at 31 December 2005	(19) =====	167 =====

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

### **NOTES TO THE ACCOUNTS**

Year ended 31 December 2005

#### **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 6 and 7.

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

The immediate parent company is Hammerson UK Properties plc. The ultimate parent company and controlling party 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, 10 Grosvenor Street, London, W1K 4BJ.