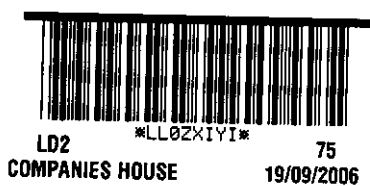


Company Number: 4108431

HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2005



HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

REPORT OF THE DIRECTORS
Year ended 31 December 2005

1. CHANGE OF NAME

The Company changed its name to Hammerson Peterborough (No. 1) Limited on 7 October 2005.

2. PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The principal activity of the Company is investment in the United Kingdom. During the year the company acquired a 50% interest in Hammerson Peterborough Unit Trust. The directors do not envisage any significant changes to this activity in the foreseeable future.

3. RESULTS AND DIVIDEND

The company made a loss after tax of £48,000 during the year (2004: £nil). No dividend was paid or proposed during the current or preceding financial years.

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.
- (d) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (e) No director had any interests in the share capital of the Company during or at the end of the year.
- (f) No director has any interest in contracts entered into by the Company.

5. SECRETARY

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

6. AUDITORS

Deloitte & Touche were appointed as auditors of the Company during the year. 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

- 4 SEP 2006

Registered Office:
10 Grosvenor Street
London W1K 4BJ
Registered in England and Wales No. 4108431

HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) 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, subject to material departures disclosed and explained in the financial statements; 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
PETERBOROUGH (NO. 1) LIMITED, FORMERLY HAMMERSON INVESTMENTS (NO. 14)
LIMITED**

We have audited the financial statements of Hammerson Peterborough (No. 1) Limited, formerly Hammerson Investments (No. 14) 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 equity shareholders' 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 member, 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 member 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 member 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.

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

11 September 2006

HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Investment income	3	493	-
Profit on ordinary activities before interest	2	493	-
Net cost of finance	4	(541)	-
Loss on ordinary activities before taxation		(48)	-
Taxation on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation and retained loss for the year	9	(48)	-
		=====	=====

All activities derive from continuing operations.

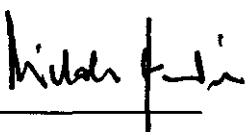
HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

BALANCE SHEET
Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Tangible fixed assets			
Investments	6	79,861	-
Creditors: amounts falling due within one year	7	(78,292)	-
		-----	-----
Net current liabilities		(78,292)	-
		-----	-----
Net assets		1,569	-
		=====	=====
Capital and reserves			
Called up share capital	8	-	-
Revaluation reserve	9	1,617	-
Profit and loss account	9	(48)	-
		-----	-----
Equity shareholder's funds		1,569	-
		=====	=====

The financial statements were approved by the Board of Directors on - 4 SEP 2006

Signed on behalf of the Board of Directors.



HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2005

	2005 £'000	2004 £'000
Loss on ordinary activities after taxation	(48)	-
Surplus arising on revaluation	1,617	-
	-----	-----
Total recognised gains and losses for the year	1,569	-
	=====	=====

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS
For year ended 31 December 2005

	2005 £'000	2004 £'000
Retained loss for the financial year	(48)	-
Surplus arising on revaluation	1,617	-
	-----	-----
Net increase in shareholder's funds	1,569	-
Shareholder's funds at 1 January	-	-
	-----	-----
Shareholder's funds at 31 December	1,569	-
	=====	=====

HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

1. ACCOUNTING POLICY

Basis of accounting

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

Investments in unit trusts

Investment in the unit trust is carried at the relevant share of the underlying net asset value of the trust. As the unit trust has an obligation to fully distribute its income, any income accrued in the trust is accounted as investment income in the investing company.

Deferred tax

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.

2. ADMINISTRATION EXPENSES

The Company has not paid any directors' emoluments during the current or preceding financial 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 directors' emoluments are disclosed.

The Company has not had any employees during the current or preceding financial years. Another group company has borne the audit fee in the current year (2004: £nil).

3. INVESTMENT INCOME

	2005 £'000	2004 £'000
Income from unit trusts	493 =====	- =====

The income from unit trusts reflects net rental income from the Queensgate Shopping Centre, for the post completion period October to December.

4. NET COST OF FINANCE

	2005 £'000	2004 £'000
Interest payable to ultimate parent company	541 =====	- =====

HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

5. TAXATION

(a) Tax charge

	2005 £'000	2004 £'000
Tax charge	-	-
	=====	=====

(b) Factors affecting current tax charge

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(48)	-
	-----	-----
Loss multiplied by UK corporation tax rate of 30%	(14)	-
Effects of:		
Group relief surrendered	14	-
	-----	-----
Total current tax	-	-
	=====	=====

(c) Factors that may affect future tax charges

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 relief without payment.

6. INVESTMENTS

The movements in the year on the unit trust investment were:

	£'000
Initial investment at cost	78,244
Surplus on revaluation	1,617

At 31 December 2005	79,861
	=====

On 16 November the company acquired a 50% interest in Hammerson Peterborough Unit Trust.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Other creditors	526	-
Amounts owed to ultimate parent company	77,766	-
	-----	-----
	78,292	-
	=====	=====

Interest is charged at variable rates based on LIBOR on the amounts owed to the ultimate parent company.

HAMMERSON PETERBOROUGH (NO. 1) LIMITED
(formerly Hammerson Investments (No. 14) Limited)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

8. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
100 ordinary shares of £1 each	100 =====	100 =====
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2 =====	2 =====

9. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January	-	-
Loss for the year	-	(48)
Surplus on revaluation of unit trust investment	1,617 -----	- -----
Balance at 31 December	1,617 =====	(48) =====

10. CASHFLOW 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) "Cash flow statements" 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 United Kingdom 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.

11. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Hammerson UK Properties plc, which is incorporated in Great Britain.

The ultimate parent undertaking and controlling party is Hammerson plc, which is incorporated in Great Britain and is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Hammerson plc consolidated financial statements can be obtained from:

Company Secretary
10 Grosvenor Street
London
W1K 4BJ