

Company Number: 4489358

CHRISTCHURCH UK LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2005



CHRISTCHURCH UK LIMITED

REPORT OF THE DIRECTORS Year ended 31 December 2005

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are property investment and development in the United Kingdom.

2. RESULTS AND DIVIDEND

The loss for the year was £6,000 (2004: loss £10,000). No dividend was paid or proposed during the year or preceding period.

3. REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Company will continue to hold the development land at Christchurch for its investment value 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 M.J. Baker and Mr G.H. Wright resigned as directors of the Company on 30 June 2006.
- (c) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (d) 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 the Company are given. On 31 December 2005 Mr. M.J. Baker, Mr N.A.S. Hardie and Mr. G.H. Wright were directors of the Company's fellow group undertaking, Hammerson UK Properties plc, in whose financial statements their interests in the shares of the Company's ultimate parent company, Hammerson plc, are given.
- (e) None of the directors have any interests in the shares of the Company or any other group company except as noted above.
- (f) 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.

6. AUDITORS

The auditors, Deloitte & Touche LLP, resigned on 20 January 2006, and BDO Stoy Hayward LLP were appointed on 16 February 2006 in their place.

The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, BDO Stoy Hayward 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.

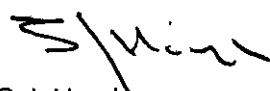
7. REGISTERED OFFICE

On 24 June 2006 the registered office was moved from 100 Park Lane, London W1K 7AR.

CHRISTCHURCH UK LIMITED

REPORT OF THE DIRECTORS
Year ended 31 December 2005

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.


S.J. Haydon
Secretary

- 3 OCT 2006

Registered Office:
10 Grosvenor Street
London, W1K 4BJ
Registered in England and Wales No. 4489358

CHRISTCHURCH UK LIMITED

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 that year.

In preparing those 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 to 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.

CHRISTCHURCH UK LIMITED

Independent Auditor's report to the shareholder of Christchurch UK Limited

We have audited the financial statements of Christchurch UK Limited for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant 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 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 transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD LLP

Chartered Accountants
and Registered Auditors
Epsom

Date: 4 October 2006

CHRISTCHURCH UK LIMITED**PROFIT AND LOSS ACCOUNT**Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Gross rental income		-	-
Rents payable and other property outgoings		(6)	(10)
Net rental income	1(b)	(6)	(10)
Operating loss		(6)	(10)
Loss on ordinary activities before and after taxation	3	(6)	(10)
Retained loss brought forward		(10)	-
Retained loss carried forward		(16)	(10)
		=====	=====

There have been no recognised gains and losses or changes in shareholder's funds other than the results shown above, for the current or preceding years. Consequently, no separate statement of total recognised gains and losses or reconciliation of movements in shareholder's funds is presented.

All amounts derive from continuing operations.

CHRISTCHURCH UK LIMITED

BALANCE SHEET

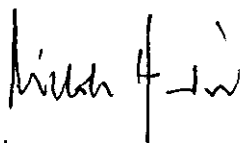
As at 31 December 2005

	Note	2005 £'000	2004 £'000
Tangible fixed assets			
Land and buildings	4	236	236
Creditors: amounts falling due within one year	5	(221)	(215)
Net current liabilities		(221)	(215)
Net assets		15	21
Capital and reserves			
Called up share capital	6	-	-
Revaluation reserve	7	31	31
Profit and loss account	7	(16)	(10)
Equity shareholder's funds		15	21

These financial statements were approved by the Board of Directors on

- 3 OCT 2006

Signed on behalf of the Board of Directors



Director

Director

CHRISTCHURCH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of investment properties and in accordance with all applicable United Kingdom accounting standards. The financial statements are in compliance with the Companies Act 1985 except that, as explained below, investment properties are not depreciated.

(b) 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 lease term. On new leases with rent-free periods, rental income is allocated evenly over the period from the date of the 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.

(c) Profits on sale of properties

Profits on sale of properties are taken into account on the completion of contract. Profits arising from the sale of trading properties acquired with a view to resale are included in the profit and loss account as part of the operating profit of the Company. Profits or losses arising from the sale of investment properties are calculated by reference to book value and treated as non operating exceptional items.

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

(e) 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.

(f) Valuation of properties

Properties held for long-term retention are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to revaluation reserve.

CHRISTCHURCH UK LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2005

1. ACCOUNTING POLICIES (continued)

(g) Depreciation

In accordance with Statement of Standard Accounting Practice 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. ADMINISTRATION EXPENSES

The directors did not receive any remuneration for services to the Company in either the current or previous financial period.

The Company had no employees in either the current or previous financial period.

The auditors' remuneration has been paid by another group company in both the current and previous financial period.

3. TAXATION

(a) Tax charge on profit on ordinary activities

	2005 £'000	2004 £'000
UK corporation tax	- =====	- =====

CHRISTCHURCH UK LIMITED

NOTES TO THE ACCOUNTS **As at 31 December 2005**

3. TAXATION (Continued)

(b) Factors affecting current tax charge

The tax assessed on the profit of ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are reconciled below:

	2005 £'000	2004 £'000
Loss on ordinary activities before tax	(6)	(10)
	-----	-----
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(2)	(3)
Effect of:		
Group relief	2	3
	-----	-----
Current tax charge for the year	-	-
	=====	=====

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.

4. LAND AND BUILDINGS

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

	Leasehold land £'000
At 1 January 2005	236
Surplus on revaluation	-
Additions at cost	-

At 31 December 2005	236
	=====

- (b) The Company's property is stated at open market value at 31 December 2005, valued by the directors.
- (c) Should the property be disposed of at the valuation shown above, it is estimated that a tax liability not exceeding £9,000 would arise (2004: £9,000).
- (d) The cost of investment property at 31 December 2005 was £204,983 (2004: £204,983).

CHRISTCHURCH UK LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2005

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Amounts owed to immediate parent company	-	197
Amounts owed to ultimate parent company	220	-
Amounts owed to fellow group undertakings	1	18
	-----	-----
	221	215
	=====	=====

6. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
Called up, allotted and fully paid:		
1 Ordinary shares of £1 each	1	1
	=====	=====

7. RESERVES

	Profit and loss account £'000	Revaluation reserve £'000
Balance at 1 January 2005	(10)	31
Loss retained for the period	(6)	-
	-----	-----
Balance at 31 December 2005	(16)	31
	=====	=====

8. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

The immediate parent company is Hammerson Investments (No 23) Limited. The ultimate parent company 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 its financial statements are available from that company's registered office, 10 Grosvenor Street, London W1K 4BJ.

CHRISTCHURCH UK LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2005

9. 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) "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 meets the exemption requirements of FRS 8 "Related Party Disclosures", in that 90% or more of its voting rights are controlled by Hammerson plc. The Company has therefore not separately disclosed transactions with other Group companies and investments of the Group qualifying as related parties.