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Company Number: 3234235

GOVERNEFFECT LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2002



GOVERN EFFECT LIMITED

Board of Directors

Mr. P.W.B. Cole
Mr. A.F. Pritchard
Mr. R.J.G. Richards
Mr. G.H. Wright

Secretary and Registered Office

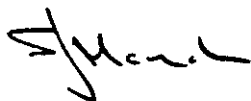
Mr. S.J. Haydon
100 Park Lane
London
W1K 7AR

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 100 Park Lane, London W1K 7AR on 14 May 2003 for the following purposes:

1. To receive the report of the directors and financial statements for the year ended 31 December 2002.
2. To reappoint Deloitte & Touche as auditors of the Company.
3. To determine the auditors' remuneration.

By order of the Board



S.J. Haydon
Secretary
14 May 2003

Registered Office:
100 Park Lane
London W1K 7AR
Registered in England Number 3234235

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.

GOVERNMENT LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2002

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is property investment. 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 (2001: £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. P.W.B. Cole, Mr. A.F. Pritchard, Mr. R.J.G. Richards and Mr. G.H. Wright were directors of the Company throughout the year.
- (b) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- (c) None of the directors have any interests in the shares of the Company.
- (d) 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.

GOVERN EFFECT LIMITED

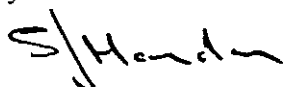
REPORT OF THE DIRECTORS

Year ended 31 December 2002

6. AUDITORS

Deloitte & Touche 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
14 May 2003

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

GOVERNMENT LIMITED

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

The directors are required by United Kingdom 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 period.

The directors ensure that in preparing financial statements, suitable accounting policies have been applied consistently, reasonable and prudent judgements and estimates made, applicable accounting standards have been 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 the system of internal control, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GOVERNEFFECT LIMITED

We have audited the financial statements of Governeffect Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the statement of accounting policies given in note 1 and the related notes 2 to 8. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
London
14 May 2003

9 June

GOVERN EFFECT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2002

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.

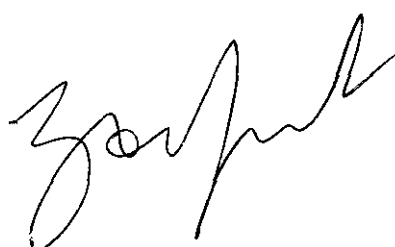
BALANCE SHEET

As at 31 December 2002

	Note	2002 £	2001 £
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

The financial statements were approved by the Board of Directors on 14 May 2003

Signed on behalf of the Board of Directors



GOVERN EFFECT LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2002

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

	2002	2001
	£	£
Cost	1,500	1,500
	=====	=====

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 2002

4. DEBTORS

	2002 £	2001 £
Amount owed by immediate parent company	2	2

The above amount is due after more than one year.

5. CREDITORS

	2002 £	2001 £
Amount owed to immediate parent company	1,500	1,500

6. CALLED UP SHARE CAPITAL

	2002 £	2001 £
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 2002

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, 50% of the shares of which are ultimately controlled by Barclays Bank PLC and 50% by Hammerson plc.