

Company Number: 3234235

GOVERNEFFECT LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 1999



GOVERNMENT LIMITED

Board of Directors

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

Secretary and Registered Office

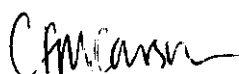
Miss. C.F. Carson
100 Park Lane
London W1Y 4AR

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 100 Park Lane, London W1Y 4AR on 22 March 2000 for the following purposes:

1. To receive the report of the directors and financial statements for the year ended 31 December 1999.
2. To re-appoint Deloitte & Touche as auditors of the Company.
3. To determine the auditors' remuneration.

By order of the Board



C.F. Carson
Secretary

22 March 2000

Registered Office:
100 Park Lane
London W1Y 4AR

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 not later than 48 hours before the time fixed for the meeting.

GOVERN EFFECT LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 1999

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 (period ended 31 December 1998: £ 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. M.J. Kill, Mr. A.F. Pritchard, Mr. R.J.G. Richards, Mr. B. Teale 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) No director has any interest in contracts entered into by the Company.
- (d) None of the directors had any interest in the shares of the Company.

GOVERNMENT LIMITED

REPORT OF THE DIRECTORS Year ended 31 December 1999

5. SECRETARY

Mr. S.J. Haydon resigned as Secretary on 28 April 1999 and Miss. C.F. Carson was appointed as Secretary on 28 April 1999.

6. YEAR 2000

Projects to identify and resolve potential problems relating to the Year 2000 issue were progressed by the Company's parent undertaking, West Quay Shopping Centre Limited.

The cost of the Year 2000 project was borne by the Company's parent undertaking.

7. 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 reappointment will be put to the members at the Annual General Meeting.

By order of the Board



C.F. Carson
Secretary
22 March 2000

Registered Office:
100 Park Lane
London W1Y 4AR
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 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 year.

The directors ensure that in preparing the financial statements, suitable accounting policies have been applied consistently, reasonable and prudent judgments 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

GOVERNMENT LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

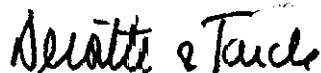
Basis of opinion

We conducted our audit in accordance with 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 judgments 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 1999 and of its result for the year ended 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Hill House
1 Little New Street
London
EC4A 3TR

Chartered Accountants
and Registered Auditors
22 March 2000

GOVERN EFFECT LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1999

The Company has not traded during the current year and preceding period and has made neither profit nor loss. There are no recognised gains or losses or movements in shareholders' funds for the current financial year or preceding period.


BALANCE SHEET

as at 31 December 1999

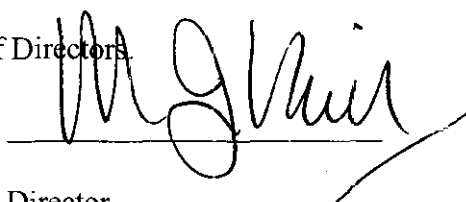
	Note	1999 £	1998 £
FIXED ASSETS			
Investments	3	1,500	1,500
CURRENT ASSETS			
Debtors	4	2	2
CREDITORS: amounts falling due within one year			
Amount owed to immediate parent company		(1,500)	(1,500)
NET CURRENT LIABILITIES		(1,498)	(1,498)
TOTAL ASSETS LESS CURRENT LIABILITIES		2	2
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Equity shareholders' funds		2	2

The financial statements were approved by the Board of Directors on 22 March 2000.

Signed on behalf of the Board of Directors



Director



Director

GOVERN EFFECT LIMITED

NOTES TO THE BALANCE SHEET

Year ended 31 December 1999

1. ACCOUNTING POLICIES

a) Basis of accounting

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

b) Investments

Investments are stated at cost less provision for impairment.

2. ADMINISTRATION EXPENSES

The directors did not receive any remuneration for services to the Company in the year (1998: £ nil).

The Company has no employees (1998: nil).

The auditors' remuneration has been paid in the current year and preceding period by another group company.

3. INVESTMENTS

	1999	1998
	£	£
Cost	1,500	1,500

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

4. DEBTORS

	1999	1998
	£	£
Amount owed by immediate parent company for share capital.	2	2

The above amount is due after more than one year.

GOVERN EFFECT LIMITED

NOTES TO THE BALANCE SHEET

Year ended 31 December 1999

5. CALLED UP EQUITY SHARE CAPITAL

	1999 £	1998 £
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 =====

6. RELATED PARTIES

There were no related party transactions during the current year or preceding period.

7. ULTIMATE PARENT UNDERTAKING

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.