

**GRANTCHESTER DEMERGER SUBSIDIARY
LIMITED**

Report and Financial Statement

Year ended 31 December 2004



GRANTCHESTER DEMERGER SUBSIDIARY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statement for the year ended 31 December 2004.

Results and principal activities

The Company has not traded during the financial year and accordingly no profit and loss account has been prepared. The Company was dormant within the meaning of s.249AA of the Companies Act 1985 throughout the year. It is anticipated that the Company will remain dormant for the foreseeable future.

Directors

The directors of the Company throughout the year were:

D J Atkins
M J Baker
J A Bywater
P W B Cole
N A S Hardie
G H Wright

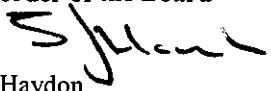
None of the directors had any interest in the share capital of the Company during or at the end of the year. The interests of Messrs Bywater and Cole in the share capital of the ultimate parent company, Hammerson plc, are disclosed in the financial statements of that company. The interests, if any, of the remaining directors in the share capital of Hammerson plc or any other group undertaking, are disclosed in the financial statements of Hammerson UK Properties plc, a fellow group undertaking.

Other than set out above, no director had any interest in the share capital of any other group undertaking during or at the end of the year.

Company Secretary

The Company Secretary of the Company during the year was S J Haydon.

By order of the Board


S J Haydon
Secretary
2005

15 SEP 2005

GRANTCHESTER DEMERGER SUBSIDIARY LIMITED

BALANCE SHEET At 31 December 2004

	2004	2003
	£	£
Fixed assets		
Fixed asset investments (see note 1)	28,445,868	28,445,868
Current assets		
Debtors		
Amounts due from group undertaking	32,217,622	3,824,287
Creditors - falling due within one year		
Amounts due to group undertaking	(28,883,506)	(490,171)
Net current assets	3,334,116	3,334,116
Total assets less current liabilities	31,779,984	31,779,984
Capital and Reserves		
Called up share capital - issued and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
Share premium account	31,449,999	31,449,999
Profit and loss account	328,985	328,985
Equity shareholders' funds	31,779,984	31,779,984

The authorised share capital of the Company is 1,000 ordinary shares of £1 each.

The Company did not act as agent for any person during the financial period.

The financial statement has been prepared under the historical cost convention, in accordance with applicable accounting standards and in compliance with the Companies Act 1985. The Company is exempt from preparing group accounts under s.228 of the Companies Act 1985 as it is itself a subsidiary undertaking and its ultimate parent company prepares consolidate accounts. The directors have taken advantage of the exemption conferred by s.249AA(1) not to have this financial statement audited and confirm that no notice has been deposited under s.249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

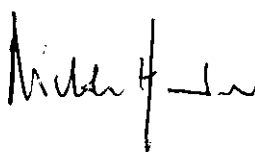
- the Company keeps accounting records which comply with s.221 of the Companies Act 1985; and
- the financial statement gives a true and fair view of the state of affairs of the Company as at 31 December 2004 in accordance with the requirements of s.226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the Company.

The Company was dormant within the meaning of s.249AA of the Companies Act 1985, throughout the financial period.

At 31 December 2004, the Company's ultimate parent company was Hammerson plc, which is incorporated in Great Britain and is the parent undertaking of the smallest and largest group to consolidate these financial statements. At 31 December 2004, the Company's immediate parent company was Grantchester Investment Properties Company Limited.

Copies of the consolidated financial statements of Hammerson plc are available from the Company Secretary, 100 Park Lane, London, W1K 7AR.

Director



Director

Michael H. Jones

15 SEP 2005

GRANTCHESTER DEMERGER SUBSIDIARY LIMITED

Notes forming part of the financial statement

Year ended 31 December 2004

1. Fixed asset investments

	Investments in subsidiary undertakings £
Cost	
At 1 January 2004 and at 31 December 2004	28,445,868

Net book value	
At 31 December 2004 and at 31 December 2003	28,445,868
	=====

Subsidiary undertakings

Details of the Company's principal subsidiary undertaking for the year ended 31 December 2004, which is wholly owned, and incorporated in Great Britain are as follows:

Name	Class of share capital held	Nature of business
Oysterland Limited	Ordinary	Not active