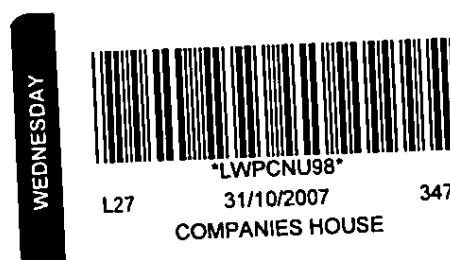


Company Number 3561897

HAMMERSON LONDON WALL (GP) LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2006



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HAMMERSON LONDON WALL (GP) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2006

1 PRINCIPAL ACTIVITIES

The principal activity of the Company is property development and investment in the United Kingdom

2 RESULTS AND DIVIDEND

The Company made a profit of £8,000 during the year (2005 £3,000 loss) No dividend was paid or proposed during the current or preceding financial years

3 REVIEW OF DEVELOPMENTS AND FUTURE PROPECTS

The Company is a general partner in The London Wall Limited Partnership, the principal business of which is to develop and hold for investment No 1 London Wall, London, EC2 The directors do not anticipate any significant change in activity for the foreseeable future

The Company, as a small company, is exempt from the requirement to report an Enhanced Business Review as required by s246 (4) of the Companies Act 1985

4 DIRECTORS

- (a) Mr D J Atkins, Mr J A Bywater, Mr P W B Cole and Mr N A S Hardie 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) Mr J M Emery and Mr A J G Thomson were appointed as directors of the Company on 1 January 2007
- (d) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation
- (e) On 31 December 2006, 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 2006 Mr D J Atkins and Mr N A S Hardie 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
- (f) None of the directors have any interests in the shares of the Company or any other group company except as noted above
- (g) 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 CHANGE OF REGISTERED OFFICE

The Company's registered office was changed on 23 June 2006 from 100 Park Lane, London W1K 7AR

HAMMERSON LONDON WALL (GP) LIMITED

REPORT OF THE DIRECTORS **Year ended 31 December 2006**

7 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.

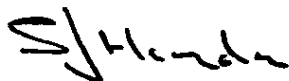
8 PROVISION OF INFORMATION TO AUDITORS

In accordance with Section 234ZA of the Companies Act 1985, each of those persons who are directors of the Company at the date of approval of this report have confirmed that,

- (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

By order of the Board



S J Haydon
Secretary

31 OCT 2007

Registered Office
10 Grosvenor Street
London, W1K 4BJ
Registered in England No 3561897

HAMMERSON LONDON WALL (GP) LIMITED

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

The directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any 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 that 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 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 LONDON WALL (GP) LIMITED

We have audited the financial statements of Hammerson London Wall (GP) Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholder's 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 sole member, 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 sole 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 sole member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

**INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON LONDON
WALL (GP) LIMITED (CONTINUED)**

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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

31 October 2007

HAMMERSON LONDON WALL (GP) LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Gross rental income		21	12
Net rents payable and other property outgoings		(4) -----	(11) -----
Net rental income	1(c)	17 -----	1 -----
Administration expenses		(1) -----	(2) -----
Profit/(loss) on ordinary activities before taxation	2	16	(1)
Taxation	3	(8) -----	(2) -----
Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the financial year	9	8 =====	(3) =====
All amounts are derived from continuing operations			

HAMMERSON LONDON WALL (GP) LIMITED

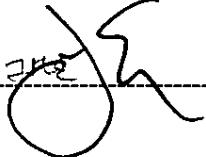
BALANCE SHEET 31 December 2006


	Note	£'000	2006 £'000	£'000	2005 £'000
Tangible fixed assets					
Land and buildings	4		746		592
Current assets					
Debtors	5	3		4	
Cash and deposits		5		1	
		8		5	
Creditors: amounts falling due within one year	6	(15)		(4)	
Net current assets/(liabilities)			(7)		1
Total assets less current liabilities			739		593
Creditors: amounts falling due after more than one year	7		(448)		(438)
Provisions for liabilities and charges					
Deferred tax	3		-		(7)
Net assets			291		148
Capital and reserves					
Called up share capital	8		-		-
Revaluation reserve	9		302		167
Profit and loss account	9		(11)		(19)
Equity shareholder's funds			291		148

The financial statements were approved by the Board of Directors on

31 Oct 2007

Signed on behalf of the Board of Directors




NSK

HAMMERSON LONDON WALL (GP) LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
For the year ended 31 December 2006

	2006 £'000	2005 £'000
Profit/(loss) for financial year	8	(3)
Unrealised surplus on revaluation of properties	135	116
	-----	-----
Total recognised gains for the year	143	113
	=====	=====

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2006

	2006 £'000	2005 £'000
Retained profit/(loss) for the financial year	8	(3)
Unrealised surplus on revaluation of properties	135	116
	-----	-----
Net increase in shareholder's surplus	143	113
Shareholder's funds at 1 January	148	35
	-----	-----
Shareholder's funds at 31 December	291	148
	=====	=====

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with all applicable United Kingdom law and accounting standards. The financial statements are in compliance with the Companies Act 1985.

(b) Joint arrangements

The financial statements include the financial statements of the Company together with the Company's share of assets, liabilities and cash flows arising from joint arrangements. Hammerson London Wall (GP) Limited, acting as a general partner, has an interest of 0.5% in the profits and assets of The London Wall Limited Partnership.

(c) Net rental income

Rent increases arising from rent reviews due during the year 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 of from the date of lease commencement to the date of the first rent review.

Differences between property operating expenditure incurred and that recovered from tenants through service charges are included in net rental income.

(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 ready for its intended use.

(e) Valuation of properties

Properties held for the long term are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve. Properties held for resale are stated at the lower of cost and net realisable value.

Where properties held for resale are transferred to or from the investment portfolio, they are transferred at market value.

(f) 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. Deferred taxation is not discounted.

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

1 ACCOUNTING POLICIES (continued)

(g) Depreciation

In accordance with Statement of Standard Accounting Practice No 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 OPERATING PROFIT/(LOSS)

The directors did not receive any remuneration for services to the Company in the current or preceding financial years.

The Company had no employees in either the current or preceding year.

Another group company has paid the auditors' remuneration in both the current and preceding years.

The audit fee allocated to the audit of the Company for 2006 is £1,900 (2005: £2,000). The fees have been paid by another group company in both the current and preceding years.

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

3 TAXATION

(a) <u>Tax charge</u>	2006 £'000	2005 £'000
Current tax		
Entry charge payable on election for UK REIT status	15	-
Deferred tax	(7)	2
	-----	-----
	8	2
	=====	=====

(b) Factors affecting current tax charge

The corporation tax charge for the period differs from the standard rate of corporation tax in the UK of 30%. The differences are reconciled below

	2006 £'000	2005 £'000
Profit/(loss) on ordinary activities before tax	16	(1)
	-----	-----
Profit/(loss) multiplied by UK corporation tax rate of 30%	5	-
Effects of		
Capital allowances	(5)	(2)
Entry charge payable on election for UK REIT status	15	-
Group relief	-	2
	-----	-----
Current tax charge for the period	15	-
	=====	=====

(c) Deferred tax

	2006 £'000	2005 £'000
Opening provision	7	5
Profit and loss account (credit)/charge	(7)	2
	-----	-----
Closing provision	-	7
	=====	=====

The deferred tax provision is made up as follows

	2006 £'000	2005 £'000
Capital allowances	-	7
	=====	=====

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

3 TAXATION (continued)

(d) UK REIT status

In December 2006 the Hammerson group made an election to enter the UK REIT regime. As a consequence of this, from 1 January 2007 subsidiaries owning properties which are held for investment will be exempted from UK corporation tax on the net profits of their property rental business. Gains on the disposal of such properties will also be exempted provided the property is not sold within three years of development.

As a REIT, Hammerson plc is required to pay property income distributions equal to at least 90% of the group's net exempted income. Exempted gains are not subject to a distribution requirement.

On entering the UK REIT regime, Hammerson group companies will pay an entry charge equal to 2% of the value of properties held for investment as at 1 January 2007, payable in four instalments from July 2007.

The 2006 accounts provide for this tax (split between creditors due within and after one year) and show the release of deferred tax previously provided in respect of capital allowances.

In view of the exemption from tax on gains on property disposals, contingent tax is no longer disclosed where there is no intention to sell the property within three years of development.

4 LAND AND BUILDINGS

- (a) The movements in the year on investment property were
- | | Long leasehold
£'000 |
|--------------------------------|-------------------------|
| At 1 January 2006 | 592 |
| Additions at cost | 19 |
| Surplus arising on revaluation | 135 |
| | ----- |
| At 31 December 2006 | 746 |
| | ===== |
- (b) The Company's property is stated at market value at 31 December 2006, valued by professionally qualified external valuers. The valuation has been prepared by DTZ Debenham Tie Leung, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The deficit arising on revaluation has been transferred to the revaluation reserve.
- (c) The cost of investment property at 31 December 2006 was £444,000 (2005: £425,000).

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

5 DEBTORS

	2006	2005
	£'000	£'000
Trade debtors	3	2
Other debtors	-	2
	<u>3</u>	<u>4</u>
	=====	=====

6 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£'000	£'000
Trade creditors	7	2
Amounts owed to immediate parent company	-	1
UK REIT entry charge	7	-
Other creditors and accruals	1	1
	<u>15</u>	<u>4</u>
	=====	=====

7 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£'000	£'000
Amounts owed to the limited partners of the London Wall Limited Partnership	440	438
UK REIT entry charge	8	-
	<u>448</u>	<u>438</u>
	=====	=====

Amounts owed to the limited partners are interest-free and are repayable in the event that the Partnership, of which the Company is a general partner, is wound up. They are not repayable by instalments.

HAMMERSON LONDON WALL (GP) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

8 CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised:		
1,000 shares of £1 each	1,000 =====	1,000 =====
Called up, allotted and fully paid:		
1 ordinary share of £1	1 =====	1 =====

9 MOVEMENTS ON RESERVES

	Profit and loss account £'000	Revaluation reserve £'000
Balance at 1 January 2006	(19)	167
Profit retained for the year	8	-
Surplus arising on revaluation	-	135
	-----	-----
Balance at 31 December 2006	(11) =====	302 =====

10 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 "Cash flow statements" (revised 1996) 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 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, other than as disclosed in note 6 and 7.

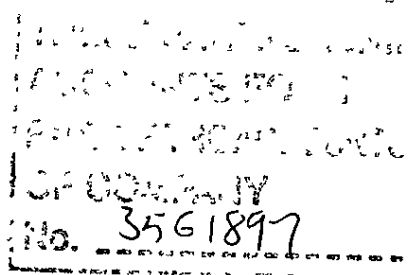
11 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Hammerson UK Properties plc. The ultimate parent company and controlling party is Hammerson plc, which is incorporated in Great Britain and is the parent undertaking of the largest and smallest 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.

THE LONDON WALL LIMITED PARTNERSHIP

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2006



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COMPANIES HOUSE

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THE LONDON WALL LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNERS Year ended 31 December 2006

The general partners submit their report and the Partnership financial statements for the year ended 31 December 2006

1 BUSINESS REVIEW AND FUTURE PROSPECTS

The Partnership's principal business is to develop and hold for investment No 1 London Wall, London EC2. The general partners do not anticipate any significant change in activity in the foreseeable future.

The Partnership qualifies for exempt from the requirement to report as required by s246 (4) of the Companies Act 1985 due to its size.

2 RESULTS

A profit of £3,101,000 was made during the year (2005 £221,000 loss)

3 AUDITORS

The Partnership 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.

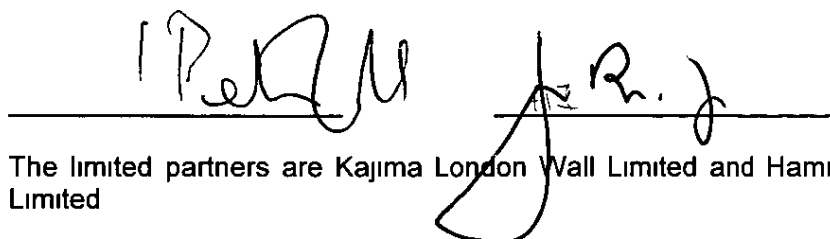
4 PROVISION OF INFORMATION TO AUDITORS

In accordance with Section 234ZA of the Companies Act 1985, each of the Partners at the date of approval of this report have confirmed that

- (a) so far as they are aware, there is no relevant audit information of which the Partner's auditors are unaware, and,
- (b) they have taken all the steps that they ought to have taken as Partners in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Approved by Kajima City Developments Limited and Hammerson London Wall (GP) Limited general partners, and signed on their behalf



The limited partners are Kajima London Wall Limited and Hammerson London Wall Investments Limited

THE LONDON WALL LIMITED PARTNERSHIP

STATEMENT OF THE GENERAL PARTNER'S RESPONSIBILITIES

The London Wall Limited Partnership ('the Partnership') is registered pursuant to the provisions of The Limited Partnerships Act 1907. The Partnerships and Unlimited Companies (Accounts) Regulations 1993 (SI 1820/1993) require certain qualifying partnerships to prepare and have audited annual accounts and reports as required for a company by the Companies Act 1985. The Partnership is a qualifying partnership as all its members are limited companies.

Hammerson London Wall (GP) Limited and Kajima City Developments Limited, acting as the general partners, are responsible under the Limited Partnership Agreement for preparing the Report and Financial Statements in accordance with applicable law and regulations.

The general partners are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the general partners are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any 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 Partnership will continue in business.

The general partners are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with SI 1820/1993 (Regulation 4). They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THE LONDON WALL LIMITED PARTNERSHIP

We have audited the financial statements (the "financial statements") of The London Wall Limited Partnership for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, reconciliation of movements in partners' funds, the analysis of movement in net debt, the reconciliation of net cash flow to movement in net debt and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the partnership, as a body, in accordance with section 235 of the Companies Act 1985 as applicable to qualifying partnerships. Our audit work has been undertaken so that we might state to the partnership'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 members of the partnership, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the general partner and auditors

The general partner's responsibilities for preparing the Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of general partner's responsibilities.

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 as applied to qualifying partnerships by the Partnerships and Unlimited Companies (Regulations) 1993. We also report to you whether, in our opinion, the information given in the general partner's report is consistent with the financial statements. Additionally we report if the partnership 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 members' remuneration and other transactions is not disclosed.

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 judgments made by the general partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the partnership's circumstances, consistently applied and adequately disclosed.

**INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THE LONDON WALL LIMITED
PARTNERSHIP (CONTINUED)**

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 partnership's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 as applied to qualifying partnerships, and
- the information given in the general partner's report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

29/10/07

THE LONDON WALL LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT Year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Gross rental income		4,149	2,374
Rents payable and other property outgoings		<u>(818)</u>	<u>(2,296)</u>
Net rental income	1(c)	3,331	78
Administration expenses	3	<u>(237)</u>	<u>(309)</u>
Operating profit/(loss) on ordinary activities before interest		3,094	(231)
Interest receivable	4	<u>7</u>	<u>10</u>
Profit/(loss) for the financial year before partners' interests	10	<u>3,101</u> =====	<u>(221)</u> =====
Result for the financial year to be offset against future profits before discretionary division amongst partners		<u>3,101</u> =====	<u>(221)</u> =====

All activities derive from continuing operations

THE LONDON WALL LIMITED PARTNERSHIP

BALANCE SHEET 31 December 2006

	Note	2006 £'000	2005 £'000
Tangible fixed assets:			
Land and buildings	5	149,150	118,328
Current assets:			
Debtors	6	518	838
Cash and deposits		976	250
Total current assets		<u>1,494</u>	<u>1,088</u>
Creditors: amounts falling due within one year	7	<u>(1,545)</u>	<u>(829)</u>
Net current (liabilities)/assets		(51)	259
Total assets less current liabilities		149,099	118,587
Creditors' amounts falling due after more than one year	8	<u>(87,903)</u>	<u>(87,589)</u>
Net assets attributable to partners		<u>61,196</u> =====	<u>30,998</u> =====


Represented by:

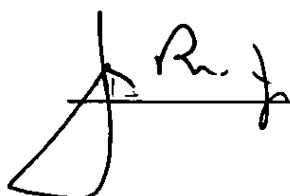
Loans and other debts due to partners within one year

Partners' capital classified as a liability under FRS 25	9	100	100
Partners' other interests	10	61,096	30,898
		<u>61,196</u> =====	<u>30,998</u> =====

The management committee in accordance with the Deed of Partnership approved the financial statements on **26 OCT 2007**

Signed on behalf of the management committee





THE LONDON WALL LIMITED PARTNERSHIP

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES For the year ended 31 December 2006

	2006 £'000	2005 £'000
Retained profit/(loss) for the financial year	3,101	(221)
Surplus on revaluation of properties	27,097	23,198
	-----	-----
Total recognised gains for the year	30,198	22,977
	=====	=====

RECONCILIATION OF MOVEMENTS IN PARTNERS' FUNDS For year ended 31 December 2006

	2006 £'000	2005 £'000
Partners' surplus at 1 January	30,998	8,021
Retained profit/(loss) for the financial year	3,101	(221)
Surplus on revaluation of properties	27,097	23,198
	-----	-----
Partners' surplus at 31 December	61,196	30,998
	=====	=====

THE LONDON WALL LIMITED PARTNERSHIP**CASH FLOW STATEMENT****Year ended 31 December 2006**

	2006	2005
	£'000	£'000
Operating profit/(loss)	3,094	(231)
Less rental smoothing	(2,923)	(2,374)
Decrease in debtors	320	376
Increase/(decrease) in creditors	717	(897)
	<hr/>	<hr/>
Cash inflow/(outflow) from operating activities	1,208	(3,126)
Cash inflow from returns on investment and servicing of finance		
Interest received	7	10
Financial investments and capital expenditure		
Capital expenditure	(803)	(2,188)
	<hr/>	<hr/>
Cash inflow/(outflow) before use of short term deposits and financing	412	(5,304)
Partners' funds advanced	314	5,233
	<hr/>	<hr/>
Increase/(decrease) in cash in the year	726	(71)
	<hr/> <hr/>	<hr/> <hr/>

THE LONDON WALL LIMITED PARTNERSHIP

ANALYSIS OF MOVEMENT IN NET DEBT

Year ended 31 December 2006

	Cash at bank £'000	Borrowings due after one year £'000	Net debt £'000
Balance as at 1 January 2006	250	(87,589)	(87,339)
Cash flow	726	(314)	412
Balance as at 31 December 2006	<u>976</u>	<u>(87,903)</u>	<u>(86,927)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Year ended 31 December 2006

	2006 £'000	2005 £'000
Increase/(decrease) in cash in the year	726	(71)
Increase in debt	(314)	(5,233)
Change in net debt resulting from cash flow	<u>412</u>	<u>(5,304)</u>
Net debt at 1 January	(87,339)	(82,035)
Net debt at 31 December	<u>(86,927)</u>	<u>(87,339)</u>

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS Year ended 31 December 2006

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied consistently throughout the current and prior year. The financial statements are prepared under Regulation 4 of The Partnership and Unlimited Companies (Accounts) Regulations 1993.

(b) Cost of properties

Properties in the course of development are held at the lower of cost and recoverable amount. An amount equivalent to the net development outgoings, including interest paid, 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 ready for its intended use.

Interest received on cash funds held by the partnership which is directly attributable to funds held for the purposes of the construction of tangible fixed assets is capitalised as a credit to those assets. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

On new developments, all letting costs are capitalised. On subsequent lettings, the previous costs are written off against the results for the period and the new costs capitalised. Where new costs are less than those previously capitalised, such new costs are written off.

(c) 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 lease commencement to the date of the first rent review. Rental smoothing is capitalised within fixed assets.

Differences between property operating expenditure incurred and that recovered from tenants through services charges are included in net rental income.

(d) Valuation of properties

Properties held for the long term are valued at the balance sheet date at market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve. Properties held for resale are stated at the lower of cost and net realisable value.

Where properties held for resale are transferred to or from the investment portfolio, they are transferred at market value.

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS Year ended 31 December 2006

1 ACCOUNTING POLICIES (continued)

(e) Depreciation

In accordance with Statement of Standard Accounting Practice No 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 LIMITED PARTNERSHIP AGREEMENT ('The Agreement')

- (a) The Agreement dated 11 August 1998 states that the purpose of the Partnership is to carry out property investment.
- (b) During the financial year Kajima City Developments Limited and Hammerson London Wall (GP) Limited, acting as the general partners, each had an interest of 0.5% in the profits and assets of the Partnership respectively. Kajima London Wall Limited and Hammerson London Wall Limited, acting as the limited partners, had interests of 49.5% each in the profits and assets of the Partnership.

3 ADMINISTRATION EXPENSES

	2006	2005
	£'000	£'000
Management fee payable to Hammerson UK Properties plc	231	300
Auditors' remuneration for audit services	4	4
Other administration expenses	2	5
	<u>237</u>	<u>309</u>
	=====	=====

The Partnership had no employees in the current or preceding financial years.

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

4 INTEREST RECEIVABLE

	2006 £'000	2005 £'000
Interest receivable	7 =====	10 =====

5 LAND AND BUILDINGS

(a)

	Long leasehold £'000
The movements in the year at valuation were	
At 1 January 2006	118,328
Additions at cost	3,725
Surplus on revaluation of property	27,097 -----
At 31 December 2006	149,150 =====

(b) The partnership's property is stated at market value at 31 December 2006, valued by professionally qualified external valuers DTZ Debenham Tie Leung, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, has prepared the valuation. The surplus arising on revaluation has been transferred to the revaluation reserve.

(c) The historical cost of investment properties at 31 December 2006 was £88,746,000 (2005 £85,021,000).

(d) Capital commitments

	2006 £'000	2005 £'000
Contracted for, but not provided	- =====	694 =====

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS Year ended 31 December 2006

6 DEBTORS

	2006 £'000	2005 £'000
Trade debtors	518	260
Other debtors	-	185
Prepayments	-	393
	-----	-----
	518	838
	=====	=====

7 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Trade creditors	490	485
Amounts owed to controlling party group companies	59	176
Accruals and deferred income	996	168
	-----	-----
	1,545	829
	=====	=====

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £'000	2005 £'000
Amounts owed to partners	87,903	87,589
	=====	=====

Amounts owed to partners are interest free and are repayable in the event that the Partnership is wound up. They are not repayable by instalments.

9. PARTNERS' CAPITAL CLASSIFIED AS A LIABILITY UNDER FRS 25

	2006 £'000	2005 £'000
General partners	1	1
Limited partners	99	99
	-----	-----
	100	100
	=====	=====

The partners' capital contribution is in proportion to each partner's interest. Under the Limited Partnership Agreement no further capital is required to be injected and no interest is payable on the capital.

THE LONDON WALL LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

10 PARTNERS' OTHER INTERESTS

	Revaluation reserve	Partners' current accounts
	£'000	£'000
At 1 January 2006	33,307	(2,409)
Retained profit for the year	-	3,101
Surplus arising on revaluation	27,097	-
	-----	-----
At 31 December 2006	60,404	692
	=====	=====

11 RELATED PARTY TRANSACTIONS

Subject to notes 7, 8 and 9 there were no material related party transactions during the year
Fees paid for development management services to Hammerson UK Properties plc during the year were £231,000 (2005 £300,000)

12 ULTIMATE CONTROLLING PARTIES

The partners are listed in note 2(b) to these accounts

The ultimate controlling parties are Kajima Corporation and Hammerson plc