

Company Number: 4125216

**HAMMERSON MANAGEMENT SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2002



## HAMMERSON MANAGEMENT SERVICES LIMITED

Board of Directors

Mr. M.J. Baker  
Mr. S.T. Bueno de Mesquita  
Mr. J. A. Bywater  
Mrs. V.F. Forster  
Mr. N.A.S. Hardie  
Mrs. E.A. Houlihan

Secretary and Registered Office

Miss N. Churchill  
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 31 July 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 re-appoint Deloitte & Touche as auditors of the Company.
3. To authorise the directors to fix the remuneration of the auditors.

By order of the Board



N. Churchill  
Secretary  
31 July 2003

Registered Office:  
100 Park Lane  
London W1K 7AR  
Registered in England and Wales No. 4125216

### 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.

# HAMMERSON MANAGEMENT SERVICES LIMITED

## REPORT OF THE DIRECTORS

Year ended 31 December 2002

### 1. PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The principal activity of the Company is, and will continue to be, property management in the United Kingdom.

### 2. RESULTS AND DIVIDEND

The Company made a loss of £62,000 during the year (period ended 31 December 2001: loss £1,000). No dividend was paid or proposed during the current year or preceding period.

### 3. DIRECTORS

- a) Mr. M.J. Baker, Mr. S.T. Bueno de Mesquita, Mr. J.A. Bywater, Mrs. V.F. Forster, Mr. N.A.S. Hardie and Mrs. E.A. Houlihan 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) On 31 December 2002, Mr. J.A. Bywater was a director of the Company's ultimate parent company, Hammerson plc, in whose financial statements his interests in the shares of that company are given. On 31 December 2002, Mr. M.J. Baker and Mr. N.A.S. Hardie were directors of the Company's immediate parent company, Hammerson UK Properties plc, in whose financial statements their interests in the shares of that company's ultimate parent company Hammerson plc are given.

The holdings of the remaining directors in the shares of Hammerson plc are as detailed as below:

	Options over ordinary shares of 25p each (executive share option schemes)	Options over ordinary shares of 25p each (savings related share option scheme)	Options over ordinary shares of 25p each (deferred share plan)	Options over ordinary shares of 25p each (executive share option scheme)	Options over ordinary shares of 25p each (savings related share option schemes)	Options over ordinary shares of 25p each (deferred share plan)
	31.12.02	31.12.02	31.12.02	01.01.02	01.01.02	01.01.02
Mr. S.T. Bueno de Mesquita	15,458	1,003	8,000*	15,458	1,003	NIL
Mrs V.F. Forster	18,527	NIL	14,205*	45,594	2,825	6,933*
Mrs E.A. Houlihan	NIL	3,250	21,679*	35,023	3,250	14,407*

\*Maximum number of shares over which options may be exercised dependent on the level or achievement of financial performance targets.

## HAMMERSON MANAGEMENT SERVICES LIMITED

### REPORT OF THE DIRECTORS

Year ended 31 December 2001

3. DIRECTORS (continued)

- d) None of the directors have any interest in the shares of the Company or any other group company, except as noted above.
- e) No directors has any interest in contracts entered into by the Company.

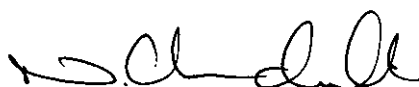
4. SECRETARY

Mr. S.J. Haydon resigned as Secretary of the Company on 14 January 2002. Miss N. Churchill was appointed secretary of the Company on 14 February 2002.

5. 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



N. Churchill  
Secretary  
31 July 2003

Registered Office:  
100 Park Lane  
London, W1K 7AR  
Registered in England No. 4125216

## **HAMMERSON MANAGEMENT SERVICES 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 financial year.

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 HAMMERSON MANAGEMENT SERVICES LIMITED**

We have audited the financial statements of Hammerson Management Services Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds, the statement of accounting policies given in note 1 and the related notes 2 to 12. 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.

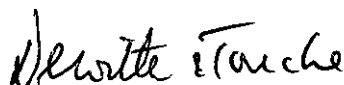
### **Basis of audit opinion**

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



Deloitte & Touche  
Chartered Accountants and Registered Auditors  
London  
31 July 2003

# **HAMMERSON MANAGEMENT SERVICES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

Year ended 31 December 2002

	Note	Year ended 31 December 2002	Period from 14 December 2000 to 31 December 2001
		£'000	£'000
Turnover	2	748	-
Cost of sales		(816)	-
Operating loss		----- (68)	----- -
Net cost of finance	5	6	(1)
Loss on ordinary activities before and after taxation and retained loss for the year/period	10	----- (62) =====	----- (1) =====

All activities derive from continuing operations.

There are no other recognised gains and losses other than the loss for the year and therefore no separate statement of total recognised gains and losses has been presented.

# HAMMERSON MANAGEMENT SERVICES LIMITED

## BALANCE SHEET

as at 31 December 2002

	Note	2002 £'000	2001 £'000
Fixed assets			
Fixtures and fittings	4	89	-
Current assets			
Debtors	7	753	200
Creditors: amounts falling due within one year	8	(905)	(201)
Total assets less current liabilities		<u>(63)</u>	<u>(1)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	(63)	(1)
Equity shareholder's deficit		<u>(63)</u>	<u>(1)</u>

The financial statements were approved by the Board of Directors on 31 July 2003.

Signed on behalf of the Board of Directors

  
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# **HAMMERSON MANAGEMENT SERVICES LIMITED**

## **RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

Year ended 31 December 2002

	<b>Year ended 31 December 2002 £'000</b>	<b>Period from 14 December 2000 to 31 December 2001 £'000</b>
Retained loss for the financial year/period	(62)	(1)
Decrease in shareholder's funds	(62)	(1)
Shareholder's deficit at 1 January 2002/ 14 December 2000	(1)	-
Shareholder's deficit at 31 December	(63)	(1)

# HAMMERSON MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 1. ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements are prepared in accordance with all applicable United Kingdom accounting standards. The financial statements are in compliance with the Companies Act 1985.

The Company's ultimate parent undertaking has confirmed that it will continue to provide financial support for the foreseeable future and, accordingly, the directors have prepared the financial statements on a going concern basis.

#### (b) Fixtures and fittings

Depreciation is provided on fixtures and fittings and equipment on a straight line basis having regard to their estimated useful life of five years.

### 2. TURNOVER

Turnover represents fees receivable for management services provided relating to properties owed by the Hammerson Group.

### 3. ADMINISTRATION EXPENSES

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

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

The Company did not pay any remuneration or expenses to the Company's auditors. Audit fees were paid by another group company during the current and previous financial period.

### 4. FIXTURES AND FITTINGS

	2002 £'000	2001 £'000
Movements on fixtures and fittings:		
At 1 January	-	-
Additions in year	90	-
Depreciation	(1)	-
	-----	-----
	89	-
	=====	=====

## HAMMERSON MANAGEMENT SERVICES LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2002

#### 6. TAXATION

	2002 £'000	2001 £'000
Loss on ordinary activities before tax	(62)	(1)
	-----	-----
Loss multiplied by UK corporation tax rate of 30%	(19)	-
Effects of:		
Group relief surrendered without payment	25	-
Other items	(6)	-
	-----	-----
Current tax charge for the period	-	-
	=====	=====

There is no tax or credit on current and preceding year's profits as the Company surrendered group relief without payment. 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.

#### 7. DEBTORS

	2002 £'000	2001 £'000
Amounts owed by ultimate parent company	540	-
Amounts owed by immediate parent company	10	143
Other debtors	203	57
	-----	-----
	753	200
	=====	=====

# **HAMMERSON MANAGEMENT SERVICES LIMITED**

## **NOTES TO THE ACCOUNTS**

Year ended 31 December 2002

### **8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2002</b>	<b>2001</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdraft	98	-
Trade creditors	391	6
Amounts owed to fellow subsidiary company	119	9
Amounts owed to ultimate parent company	-	186
Other creditors and accruals	297	-
	-----	-----
	905	201
	=====	=====

Interest is charged on the amount owed to the ultimate parent company at variable rates based on LIBOR.

### **9. CALLED UP SHARE CAPITAL**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Authorised:		
100 ordinary shares of £1 each	100	100
	=====	=====
Called up, allotted and fully paid:		
100 ordinary shares of £1 each	2	2
	=====	=====

### **10. RESERVES**

	<b>Profit and loss account £'000</b>
At 1 January 2002	(1)
Loss retained for the year	(62)
	-----
Balance at 31 December 2002	(63)
	=====

## **HAMMERSON MANAGEMENT SERVICES LIMITED**

### **NOTES TO THE ACCOUNTS**

Year ended 31 December 2002

#### **11. 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 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.

#### **12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The immediate parent company is Hammerson UK Properties plc, which is incorporated in Great Britain.

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 company to consolidate these financial statements. Copies of its financial statements are available from that company's registered office, 100 Park Lane, London W1K 7AR.