

Company Number: 4125216

HAMMERSON MANAGEMENT SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2005



HAMMERSON MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2005

1. PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The principal activity of the Company is, and will continue to be, property management in the United Kingdom. The directors do not anticipate any significant change in the activity in the foreseeable future.

2. RESULTS AND DIVIDEND

The Company made a profit of £847,000 during the year (2004: £1,350,000). No dividend was paid or proposed during the current or preceding year.

3. DIRECTORS

- a) Mr. M.J. Baker, Mr. J.A. Bywater, Mrs. V.F. Forster and Mr. N.A.S. Hardie and were directors of the Company throughout the year.
- b) Mrs. E.A. Houlihan resigned as a director on 31 May 2005.
- c) Mr. D. J. Atkins was appointed as a director on 1 January 2005.
- d) Mr. M.J. Baker and Mr. G.H. Wright resigned as directors of the Company on 30 June 2006.
- e) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- f) On 31 December 2005, 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 2005, Mr. D.J. Atkins, 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:

	Ordinary shares of 25p each	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)	Ordinary shares of 25p each	Options over ordinary shares of 25p each (executive share option scheme)	Options over ordinary shares of 25p each (savings related share option scheme)	Options over ordinary shares of 25p each (deferred share plan)
	31.12.05	31.12.05	31.12.05	31.12.05	01.01.05	01.01.05	01.01.05	01.01.05
Mrs V.F. Forster	2,452	-	2,460	26,929*	1,118	-	2,460	25,161*

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

HAMMERSON MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2005

3. DIRECTORS (continued)

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

4. FINANCIAL INSTRUMENTS

Due to the nature of the group and company's business, and the assets and liabilities contained within the group and company's balance sheet, the only financial risks that the directors consider relevant to the company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, being due from other group companies who are able to repay if required.

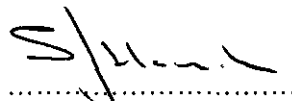
5. SECRETARY

Mr. S.J. Haydon was Secretary of the Company throughout the year.

6. AUDITORS

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.

By order of the Board



S.J Haydon
Secretary

Registered Office:
10 Grosvenor Street
London W1K 4BJ
Registered in England No. 4125216

17 AUG 2006

HAMMERSON MANAGEMENT SERVICES LIMITED

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

United Kingdom company law requires the directors 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.

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 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 which 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 the system of internal control, 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 MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Hammerson Management Services Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet 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 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's members, 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

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. We also report to you if, in our opinion, the information given in 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 other transactions is not disclosed.

We read the directors' report for the above year as and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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
MANAGEMENT SERVICES LIMITED**

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 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

4 September 2006

HAMMERSON MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover	2	1,207	1,786
Cost of sales		(527)	(551)
Operating profit	3	680	1,235
Interest receivable	4	167	115
Profit on ordinary activities before and after taxation and retained profit for the year	5,10	847	1,350

All amounts derive from continuing operations.

There are no other recognised gains and losses or movements in shareholder's funds other than the loss for the year and therefore no separate statement of total recognised gains and losses or reconciliation of movement in shareholder's funds have been presented.

HAMMERSON MANAGEMENT SERVICES LIMITED

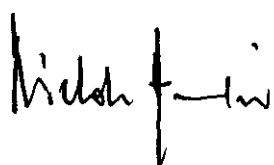
BALANCE SHEET At 31 December 2005

	Note	£'000	2005 £'000	2004 £'000	£'000
Fixed assets					
Fixtures and fittings	6		36		80
Current assets					
Debtors	7	4,475		3,927	
Cash at bank		-		3	
Creditors: amounts falling due within one year	8	(1,599)		(1,945)	
Net current assets			2,876		1,985
Total assets less current liabilities			2,912		2,065
Capital and reserves					
Called up share capital	9		-		-
Profit and loss account	10		2,912		2,065
Equity shareholders' funds			2,912		2,065

The financial statements were approved by the Board on

17 AUG 2006

Signed on behalf of the Board of Directors

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Directors

HAMMERSON MANAGEMENT SERVICES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with all applicable United Kingdom law and accounting standards. The financial statements are in compliance with the Companies Act 1985. The accounting policies have been consistently applied throughout the current and prior year.

(b) Depreciation

Fixtures and fittings are stated at costs less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful life, which is five years.

2. TURNOVER

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

3. OPERATING PROFIT

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.

4. INTEREST RECEIVABLE

	2005 £'000	2004 £'000
Interest receivable from ultimate parent company	167 =====	115 =====

5. TAXATION

(a) Tax charge on profit on ordinary activities

	2005 £'000	2004 £'000
Corporation tax	- =====	- =====

HAMMERSON MANAGEMENT SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2005

5. TAXATION (continued)

(b) Factors affecting current tax charge

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 30% (2004:30%). The differences are set out below:

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	847	1,350
Profit multiplied by UK corporation tax rate of 30%	254	405
Effects of:		
Group relief	(257)	(410)
Other items	3	5
Current tax charge for the period	-	-

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.

6. FIXTURES AND FITTINGS

The movements in the year were:	Cost £'000	Depreciation £'000	Net book value £'000
At 1 January 2005	123	(43)	80
Depreciation for the year	-	(44)	(44)
At 31 December 2005	123	(87)	36

HAMMERSON MANAGEMENT SERVICES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2005

7. DEBTORS

	2005 £'000	2004 £'000
Amounts owed by ultimate parent company	3,580	3,569
Amounts owed by immediate parent company	-	11
Amounts owed by fellow subsidiary undertakings	10	5
Other debtors	105	342
Trade debtors	780	-
	-----	-----
	4,475	3,927
	=====	=====

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Trade creditors	680	758
Amounts owed to immediate parent company	98	-
Amounts owed to fellow subsidiary company	241	648
Other creditors, accruals and deferred income	568	539
Bank overdraft	12	-
	-----	-----
	1,599	1,945
	=====	=====

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

9. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
100 ordinary shares of £1 each	100	100
	=====	=====
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	=====	=====

HAMMERSON MANAGEMENT SERVICES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2005**

10. RESERVES

	Profit and loss account £'000
At 1 January 2005	2,065
Profit retained for the year	847

Balance at 31 December 2005	2,912
	=====

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. 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.