

Company Number: 4125216

HAMMERSON MANAGEMENT SERVICES LIMITED
(formerly Hammerson Investments (No. 18) Limited)
(formerly Precis (1963) Limited)

REPORT AND FINANCIAL STATEMENTS

Period ended 31 December 2001



HAMMERSON MANAGEMENT SERVICES LIMITED

(formerly Hammerson Investments (No. 18) Limited)

(formerly Preciis (1963) Limited)

Board of Directors

Mr. M.J. Baker
Mr. S.T. Bueno de Mesquita
Mr. J. A. Bywater
Mrs. V.F. Foster
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 14 August 2002 for the following purposes:

1. To receive the report of the directors and financial statements for the period ended 31 December 2001.
2. To 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
14 August 2002

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

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(formerly Precis (1963) Limited)

REPORT OF THE DIRECTORS

Period ended 31 December 2001

1. INCORPORATION AND CHANGE OF NAME

The Company was incorporated on 14 December 2000 as Precis (1963) Limited and changed its name to Hammerson Investments (No.18) Limited on 29 January 2001. The Company subsequently changed its name to Hammerson Management Services Limited on 7 August 2001.

2. ACCOUNTING REFERENCE DATE

The Company's accounting reference date was extended so that the first accounting period would be to 31 December 2001. For future periods the accounting reference date will continue to be 31 December.

3. SHARE CAPITAL

The Company was incorporated with authorised share capital of £100 represented by 100 ordinary shares of £1 each of which two were issued fully paid on 14 December 2000.

4. PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

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

5. RESULTS AND DIVIDEND

The Company made a loss of £1,000 during the period. No dividend was paid or proposed during the period.

6. DIRECTORS

- a) Peregrine Secretarial Services Limited was appointed as sole director of the Company on 14 December 2000 and resigned on 12 January 2001.
- b) Mr. J.A. Bywater, Mr. P.W.B. Cole, Mr. I.F.S. Harris and Mr. G. H. Wright were appointed directors of the Company on 12 January 2001.
- c) Mr. J.A.W. Dodds was appointed a director of the Company on 12 January 2001 and resigned on 24 August 2001.
- d) Mr. M.J. Baker and Mr. N.A.S. Hardie were appointed directors of the Company on 1 August 2001.

HAMMERSON MANAGEMENT SERVICES LIMITED

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REPORT OF THE DIRECTORS

Period ended 31 December 2001

6. DIRECTORS (continued)

- e) Mr. P.W.B. Cole, Mr. I.F.S. Harris and Mr. G.H. Wright resigned as directors of the Company on 14 January 2002.
- f) Mr. S.T. Bueno de Mesquita, Mrs. V. F. Foster and Mrs. E.A. Houlihan were appointed directors of the Company on 14 January 2002.
- g) In accordance with the Articles of Association of the Company, the directors are not required to retire at the first Annual General Meeting or retire by rotation.
- h) On 31 December 2001, 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 2001, 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.
- f) None of the directors have any interest in the shares of the Company or any other group company, except as noted above.
- g) No directors has any interest in contracts entered into by the Company.

HAMMERSON MANAGEMENT SERVICES LIMITED

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REPORT OF THE DIRECTORS

Period ended 31 December 2001

7. SECRETARY

- a) Swift Incorporations Limited was appointed as Secretary on 14 December 2000 and resigned on 14 December 2000.
- b) Office Organisation & Services Limited was appointed as Secretary of the Company on 14 December 2000 and resigned on 12 January 2001.
- c) Mr. S.J. Haydon was appointed secretary of the Company on 12 January 2001 and resigned on 14 January 2002.
- d) Miss N. Churchill was appointed Secretary of the Company on 14 January 2002.

8. AUDITORS

Deloitte & Touche, who were appointed by the directors as auditors to the Company on 12 January 2001, have indicated their willingness to continue in office in accordance with 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
14 August 2002

Registered Office:
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London, W1K 7AR
Registered in England and Wales No. 4125216

HAMMERSON MANAGEMENT SERVICES LIMITED

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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 period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss of the Company for the financial period.

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 SOLE MEMBER OF HAMMERSON MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Hammerson Management Services Limited for the period ended 31 December 2001 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

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 period 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 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

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

Chartered Accountants
and Registered Auditors
28¹⁴ August 2002

HAMMERSON MANAGEMENT SERVICES LIMITED
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PROFIT AND LOSS ACCOUNT
Period ended 31 December 2001

	Note	Period from 14 December 2000 to 31 December 2001 £'000
Interest payable	3	(1)

Loss on ordinary activities before and after taxation and retained loss for the financial period		(1)
		=====

All activities derive from continuing operations.

There are no other recognised gains and losses and therefore no separate statement of total recognised gains and losses has been presented.

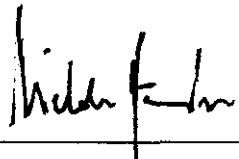
HAMMERSON MANAGEMENT SERVICES LIMITED
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BALANCE SHEET
as at 31 December 2001

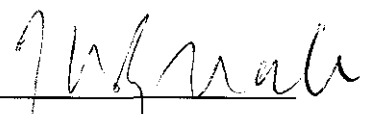
	Note	2001 £'000
Current assets		
Debtors	4	200
Creditors: amounts falling due within one year	5	(201)
Net current liabilities		----- (1) =====
Capital and reserves		
Called up share capital	6	-
Profit and loss account	7	(1) -----
Equity shareholder's deficit		----- (1) =====

The financial statements were approved by the Board of Directors on 14 August 2002.

Signed on behalf of the Board of Directors



N A S HARDIE



J A SYWATER

HAMMERSON MANAGEMENT SERVICES LIMITED
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RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
Period ended 31 December 2001

	Period from 14 December 2000 to 31 December 2001 £'000
Retained loss for the financial period	(1)

Decrease in shareholder's funds	(1)
Shareholder's funds at 14 December 2000	-

Shareholder's deficit at 31 December 2001	(1)
	=====

HAMMERSON MANAGEMENT SERVICES LIMITED

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NOTES TO THE ACCOUNTSPeriod ended 31 December 2001**1. ACCOUNTING POLICIES**Basis of accounting

The financial statements are prepared in accordance with all applicable 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.

2. ADMINISTRATION EXPENSES

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

The Company had no employees in the financial period.

The Company did not pay any remuneration, including expenses, to the Company's auditors. All audit fees were paid by another group company during the financial period.

3. INTEREST PAYABLE

	2001 £'000
Interest payable to ultimate parent company	1
	<u>1</u>

4. DEBTORS

	2001 £'000
Amounts owed by immediate parent company	143
Other debtors	57
	<u>200</u>
	<u>200</u>

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NOTES TO THE ACCOUNTS

Period ended 31 December 2001

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD

	2001 £'000
Trade creditors	6
Amounts owed to fellow subsidiary company	9
Amounts owed to ultimate parent company	186

	201
	=====

6. CALLED UP SHARE CAPITAL

	2001 £
Authorised:	
100 ordinary shares of £1 each	100
	=====
Called up, allotted and fully paid:	
100 ordinary shares of £1 each	2
	=====

The Company was incorporated with authorised share capital of £100 represented by 100 ordinary shares of £1 each of which two were issued fully paid on 14 December 2000.

7. RESERVES

	Profit and loss account £'000
At 14 December 2000	-
Loss retained for the year	(1)

Balance at 31 December 2001	(1)
	=====

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NOTES TO THE ACCOUNTS

Period ended 31 December 2001

8. 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) 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 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.

9. 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.