

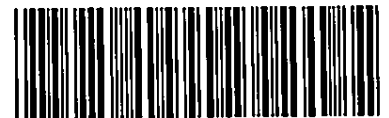
Company Number 5495284

HAMMERSON (DIDCOT II) LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2007

TUESDAY



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COMPANIES HOUSE

HAMMERSON (DIDCOT II) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2007

1 PRINCIPAL ACTIVITIES

The principal activity of the Company is that of property investment in the United Kingdom. The directors do not anticipate any significant change in the principal activity in the foreseeable future.

2 RESULTS AND DIVIDENDS

The profit for the year after tax was £11,000 (2006: £78,000 loss). The directors do not recommend the payment of a dividend (2006: £nil).

3 REVIEW OF ACTIVITIES AND FUTURE PROSPECTS

It is expected that the Company will continue to hold its investment properties 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 P W B Cole, Mr J M Emery, Mr N A S Hardie and Mr A J G Thomson were directors of the Company throughout the year.
- b) Mr J A Bywater resigned as a director of the Company on 31 March 2007.
- c) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- d) No director has any interests in contracts entered into by the Company.
- e) This directors' report does not contain a statement as to directors' interests, debentures or options over shares in the Company, the ultimate parent of the Company, or any other body corporate in the same group following the repeal of paragraphs 2, 2A and 2B of schedule 7 to the Companies Act 2006 (Commencement No 2, Consequential Amendments, Transitional Provisions and Savings) order 2007 (SI 2007/1093).

5 SECRETARY

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

6 INDEMNITY

The Company's ultimate parent company, Hammerson plc, has made qualifying indemnity provisions for the benefit of the Company's directors. Such provisions were made during the year and remain in force at the date of this report.

7 AUDITORS

Deloitte and Touche LLP have resigned and BDO Stoy Hayward LLP have indicated their willingness to be appointed in office with effect from 1 March 2008 in accordance with the provisions of the Companies Act 1985 and a resolution proposing their appointment will be put to the sole member at the Annual General Meeting.

HAMMERSON (DIDCOT II) LIMITED

REPORT OF THE DIRECTORS
Year ended 31 December 2007

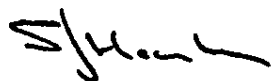
8 PROVISION OF INFORMATION TO AUDITORS

In accordance with Section 234ZA of the Companies Act 1985, 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 directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the Board



S J Haydon
Secretary

15 JUL 2008

Registered Office
10 Grosvenor Street
London, W1K 4BJ
Registered in England and Wales No 5495284

HAMMERSON (DIDCOT II) LIMITED

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

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 that year

In preparing those 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 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 to 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 AUDITOR'S REPORT TO THE SHAREHOLDER OF HAMMERSON (DIDCOT II) LIMITED

We have audited the financial statements of Hammerson (Didcot II) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also 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 transactions with the Company 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF HAMMERSON (DIDCOT II) 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 2007 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

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

Chartered Accountants

and Registered Auditors

Epsom

Date *15 July 2008*

HAMMERSON (DIDCOT II) LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2007

| | Notes | 2007 £'000 | 2006 £'000 |
|---|--------------|-----------------------|-----------------------|
| Gross rental income | | 150 | 156 |
| Rents payable and other property outgoings | | (10) | (4) |
| Net rental income and operating profit | | 140 | 152 |
| Net finance expense | 3 | (129) | (180) |
| Profit/(loss) on ordinary activities before taxation | | 11 | (28) |
| Taxation | 4 | - | (50) |
| Profit/(loss) for the financial year | 10 | 11 | (78) |

All amounts derive from continuing operations

HAMMERSON (DIDCOT II) LIMITED

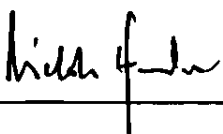
BALANCE SHEET At 31 December 2007

| | Notes | 2007 | | 2006 | |
|---|-------|---------|---------|---------|---------|
| | | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | | | | | |
| Land and buildings | 5 | | 2,550 | | 2,503 |
| Current assets | | | | | |
| Debtors | 6 | 86 | | 80 | |
| Creditors: amounts falling due within one year | 7 | (3,071) | | (2,745) | |
| Net current liabilities | | | (2,985) | | (2,665) |
| Total assets less current liabilities | | | (435) | | (162) |
| Creditors: amounts falling due after one year | 8 | | - | | (25) |
| Net liabilities | | | (435) | | (187) |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | - | | - |
| Revaluation reserve | 10 | | (360) | | (101) |
| Profit and loss account | 10 | | (75) | | (86) |
| Shareholder's deficit | | | (435) | | (187) |

The financial statements were approved and authorised for issue by the Board on

15 JUL 2008

Signed on behalf of the Board of Directors



HAMMERSON (DIDCOT II) LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**Year ended 31 December 2007

| | 2007 £'000 | 2006 £'000 |
|--|-----------------------------|-----------------------------|
| Profit/(loss) for the financial year | 11 | (78) |
| Deficit arising on revaluation of properties | (259) | - |
| | <hr/> | <hr/> |
| Total recognised gains and losses for the year | (248) | (78) |
| | <hr/> | <hr/> |

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDSYear ended 31 December 2007

| | 2007 £'000 | 2006 £'000 |
|--|-----------------------------|-----------------------------|
| Profit/(loss) for the financial year | 11 | (78) |
| Deficit arising on revaluation of properties | (259) | - |
| | <hr/> | <hr/> |
| Net reduction in shareholder's funds | (248) | (78) |
| Shareholder's deficit at 1 January | (187) | (109) |
| | <hr/> | <hr/> |
| Shareholder's deficit at 31 December | (435) | (187) |
| | <hr/> | <hr/> |

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

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 other fixed asset investments, in accordance with all applicable United Kingdom accounting standards. The financial statements are in compliance with the Companies Act 1985 except that, as explained below, investment properties are not depreciated.

b) Net rental income

Rental income from properties leased out under an operating lease is recognised in the profit and loss account on a straight-line basis over the lease term. Contingent rents, such as turnover rents, rent reviews and indexation are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Lease incentives and costs associated with entering into tenant leases are added to the costs of property and are amortised over the period to the first break option or, if the probability that the break option will be exercised is considered low, over the lease term.

Property operating expenses are accounted for on an accruals basis and any property operating expenditure not recovered from tenants through service charges is charged to the profit and loss account.

c) Land and buildings

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.

All costs directly associated with the purchase and construction of a development property are capitalised. A property is regarded as being in the course of development until ready for its intended use.

d) Depreciation

In accordance with Statement of Standard Accounting Practice 19 "Accounting for investment properties", no depreciation is provided in respect of freehold properties or leasehold properties with over twenty periods 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.

e) Deferred tax

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.

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding directors, was nil (2006 nil)

The directors did not receive any remuneration for services to the Company in the current and preceding financial year. The Company had no employees, excluding directors, in the current or preceding year.

Another group company has paid the auditors' fees for the audit of the Company's annual accounts in both the current and preceding financial year. Fees for the audit of the Company were £1,900 (2006 £1,900).

3. NET FINANCE EXPENSE

| | 2007 £'000 | 2006 £'000 |
|--|---------------|---------------|
| Other interest receivable | (1) | - |
| Interest payable on loans from fellow group undertakings | 130 | 180 |
| | ----- | ----- |
| Net finance expense | 129 | 180 |
| | ===== | ===== |

4. TAXATION

(a) Tax charge on profit on ordinary activities

| | 2007 £'000 | 2006 £'000 |
|---|---------------|---------------|
| Current tax | | |
| Entry charge payable on election for UK REIT status | - | 50 |
| | ===== | ===== |

(b) UK REIT status

The Company's ultimate parent company, Hammerson plc, elected to be taxed as a UK Real Estate Investment Trust ("UK REIT") from 1 January 2007, and as a consequence, group companies are exempted from UK corporation tax on the profits of a UK property rental business and on the gains on UK investment properties.

Group companies remain subject to UK corporation tax on other items but, as the group has surplus tax losses, the group's policy is for these taxable profits and losses to be fully offset by group relief surrendered without payment, so that individual subsidiaries do not bear tax.

The Company therefore had no tax charge in the year and this is expected to continue for the foreseeable future. The losses surrendered as group relief for the year ended 31 December 2007 are nil (2006 £30,000).

The prior year current tax charge represented the provision for the UK REIT entry charge.

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

5 LAND AND BUILDINGS

| (a) The movements in the year on investment property at valuation were | Freehold £'000 |
|--|-------------------|
| At 1 January 2007 | 2,503 |
| Additions at cost | 306 |
| Deficit on revaluation of property | (259) |
| | ----- |
| At 31 December 2007 | 2,550 |
| | ===== |

The Company's property is stated at market value at 31 December 2007, 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. The surplus arising on revaluation has been transferred to the revaluation reserve.

- (b) The historic cost of investment property at 31 December 2007 was £2,910,000 (2006 £2,604,000)

6. DEBTORS

| | 2007 £'000 | 2006 £'000 |
|-------------------------------------|---------------|---------------|
| Trade debtors | 64 | 28 |
| Amounts due from group undertakings | 22 | 52 |
| | ----- | ----- |
| | 86 | 80 |
| | ===== | ===== |

All amounts shown under debtors fall due for payment within one year.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2007 £'000 | 2006 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 2,994 | 2,681 |
| Other creditors | 17 | 8 |
| Accruals and deferred income | 35 | 31 |
| UK REIT entry charge | 25 | 25 |
| | ----- | ----- |
| | 3,071 | 2,745 |
| | ===== | ===== |

Interest is charged on the amounts owed to the ultimate parent company at variable rates based on LIBOR. Repayment of the amounts to group undertakings will only be demanded if the Company has sufficient reserves to make such a payment.

8. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

| | 2007 £'000 | 2006 £'000 |
|----------------------|---------------|---------------|
| UK REIT entry charge | - | 25 |
| | ===== | ===== |

HAMMERSON (DIDCOT II) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2007

9. CALLED UP SHARE CAPITAL

| | 2007 £ | 2006 £ |
|--|----------------|----------------|
| Authorised: | | |
| 1,000 ordinary shares of £1 each | 1,000 ===== | 1,000 ===== |
| Called up, allotted and fully paid: | | |
| 1 ordinary share of £1 | 1 ===== | 1 ===== |

10. RESERVES

| | Revaluation reserve £'000 | Profit and loss account £'000 |
|--------------------------------|---------------------------------|-------------------------------------|
| Balance at 1 January 2007 | (101) | (86) |
| Deficit arising on revaluation | (259) | - |
| Profit retained for the year | - | 11 |
| | ----- | ----- |
| Balance at 31 December 2007 | (360) ===== | (75) ===== |

11. RELATED PARTY DISCLOSURE AND CASH FLOW STATEMENT

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose details of all of its related party transactions with other group companies. In the opinion of the directors there are no other related party transactions to be disclosed in the current or preceding financial year.

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.

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2007 the immediate parent company is Hammerson Retail Parks Holdings Limited. The ultimate parent company and holding company is Hammerson plc, which is registered in England and Wales and is the largest and smallest and 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.