

Registered Number 3744396

BULL RING (GP) LIMITED

REPORT AND ACCOUNTS

Year ended 31 December 2007



BULL RING (GP) LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

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Directors

R J Akers
D J Atkins
M A Ashton (appointed 30 October 2007)
J A Bywater (resigned 1 May 2007)
N A S Hardie (appointed 1 May 2007)
D L F Holt (appointed 30 October 2007)
L F Hutchings (resigned 1 May 2007)
J M Emery
G Field (resigned 1 May 2007)
R H De Barr (resigned 1 May 2007)
N C Varnham
M B White
S A Petrie (appointed 1 May 2007)

Secretary and registered office

Henderson Secretarial Services Limited
4 Broadgate
London EC2M 2DA

BULL RING (GP) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2007

The directors present their report and accounts for the year ended 31 December 2007

Principal activities and future prospects

The Company acts as general partner in The Bull Ring Limited Partnership, a property investment partnership (registered at 4 Broadgate, London, EC2M 2DA) that holds property investments in Birmingham City Centre including the Bullring Shopping Centre. The limited partners are Land Securities Bull Ring (LP) Limited, Hammerson Bull Ring Limited, Henderson BRLP1 and Henderson BRLP2. On 19 July 2005 Hammerson UK Properties Plc transferred its limited partnership interest to Hammerson Bull Ring Limited. No changes to the Company's activities are anticipated.

Results and dividends

The Company made a profit of £157,000 for the year (2006 £133,000). The directors do not recommend the payment of a dividend (2006 £nil).

Directors and their interests

The directors of the Company are set out on page 1, which includes those who held office throughout the year and any appointments and resignations made since the year end.

During the year none of the directors had any interests in the shares of the Company which require to be disclosed under the Companies Act 1985.

Registered office

The Company's registered office address is 4 Broadgate, London EC2M 2DA.

BULL RING (GP) LIMITED

REPORT OF THE DIRECTORS (continued)

Year ended 31 December 2007

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

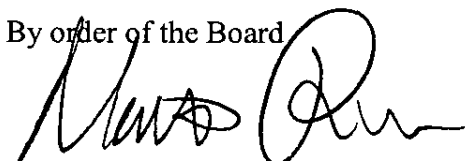
KPMG LLP have indicated their willingness to continue in office

Elective resolutions

Elective resolutions are in force which were approved by the Company's shareholders on 9 May 2000 to dispense with the following requirements

- 1 to re-appoint auditors annually,
- 2 to hold an Annual General Meeting, and
- 3 to lay the accounts before the Company in general meeting

By order of the Board



M Purkis

For and on behalf of Henderson Secretarial Services Limited, Secretary

20 JUNE 2008

BULL RING (GP) LIMITED

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BULL RING (GP) LIMITED

We have audited the financial statements of Bull Ring (GP) 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.

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 auditor's 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK 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.



KPMG LLP
Chartered Accountants
Registered Auditor

20 June 2008

BULL RING (GP) LIMITED**PROFIT AND LOSS ACCOUNT**Year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Gross rental income		199	223
Rents payable and other property outgoings		(28)	(26)
		-----	-----
Net rental income	1(d)	171	197
Administration expenses	2	(2)	(3)
		-----	-----
Operating profit		169	194
Net interest receivable		2	1
		-----	-----
Profit on ordinary activities before taxation		171	195
Taxation	3	(14)	(62)
		-----	-----
Profit for the financial year	11	<u>157</u>	<u>133</u>

All activities derive from continuing operations

BULL RING (GP) LIMITED

BALANCE SHEET

31 December 2007

	Note	2007		2006	
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Land and buildings	4		4,306		4,358
Investments	5		10		10
			-----		-----
			4,316		4,368
Current assets					
Debtors	6	73		61	
Cash and short term deposits		13		55	
		-----		-----	
		86		116	
Creditors: amounts falling due within one year	7	(130)		(181)	
		-----		-----	
Net current liabilities			(44)		(65)
			-----		-----
Total assets less current liabilities			4,272		4,303
Creditors: amounts falling due after more than one year	8		(1,463)		(1,599)
Provisions for liabilities and charges	9		(78)		(73)
			-----		-----
Net assets			2,731		2,631
			=====		=====
Capital and reserves					
Called up share capital	10		2		2
Revaluation reserve	11		2,195		2,252
Profit and loss account	11		534		377
			-----		-----
			2,731		2,631
			=====		=====

The financial statements were approved by the Board of Directors on *20 June* 2008

Signed on behalf of the Board of Directors by



Director

BULL RING (GP) LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**Year ended 31 December 2007

	2007	2006
	£'000	£'000
Profit for the financial year	157	133
(Deficit)/surplus arising on revaluation of investment properties	(57)	306
	-----	-----
Total recognised gains and losses for the year	<u>100</u>	<u>439</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDSYear ended 31 December 2007

	2007	2006
	£'000	£'000
Shareholders' funds at 1 January	2,631	2,192
Profit for the financial year	157	133
(Deficit)/surplus arising on revaluation of investment properties	(57)	306
	-----	-----
Shareholders' funds at 31 December	<u>2,731</u>	<u>2,631</u>

BULL RING (GP) 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 in accordance with applicable United Kingdom accounting standards. The financial statements are prepared as if governed by the Companies Act 1985 except that, as explained below, investment properties are not depreciated.

(b) Joint arrangements

The financial statements include the financial statements of the Company together with the Company's share of assets and liabilities arising from joint arrangements in accordance with FRS9.

(c) Cash flow statement

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

(d) Net rental income

Rent increases arising from rent reviews due during the year are taken into account only to the extent that such reviews have been agreed with tenants at the accounting date. For newly developed properties, or other new leases, rental income is spread evenly over the period from the point at which the property is ready for its intended use to the date of the first rent review.

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

(e) 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.

BULL RING (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

1 ACCOUNTING POLICIES (continued)

(f) 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 unless the deficits are considered permanent, in such case they are taken to the profit and loss account.

(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.

(h) Investments

Fixed asset investments are stated at cost less provision for impairment.

(i) Deferred tax

In accordance with Financial Reporting Standard 19 "Deferred Tax" deferred tax is provided in respect of timing differences that may give rise to an obligation to pay more or less tax in the future.

2 ADMINISTRATION EXPENSES

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.

The Bull Ring Limited Partnership has paid the auditors' remuneration in both the current and preceding years.

BULL RING (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

3 TAXATION

	2007	2006
	£'000	£'000
(a) Tax charge		
Corporation tax for the year	29	51
Adjustment in respect of prior years	(20)	3
	-----	-----
Total current tax	9	54
Deferred tax charge in respect of capital allowances	5	8
	-----	-----
Total tax	<u>14</u>	<u>62</u>

(b) Factors affecting current tax charge

The tax assessed on the profit of ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19.75% (2006: 30%). The differences are reconciled below

	2007	2006
	£'000	£'000
Profit on ordinary activities before tax	171	195
	-----	-----
Profit multiplied by UK corporation tax rate of 19.75% / 30%	34	59
Effects of		
Capital allowances	(5)	(8)
Adjustment in respect of prior years	(20)	3
	-----	-----
Total current tax	<u>9</u>	<u>54</u>

BULL RING (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

4 LAND AND BUILDINGS

(a)

	Long leasehold £'000
Balance at 1 January 2007	4,358
Amounts included in prepayments under UITF 28	29

Market value at 1 January 2007	4,387
Additions	5
Deficit arising on revaluation	(74)

Market value at 31 December 2007	4,318
Amounts included in prepayments under UITF 28	(12)

Balance at 31 December 2007	<u>4,306</u>

(b) The partnership's property is stated at market value at 31 December 2007, valued by professionally qualified external valuers, as adjusted for unamortised lease incentive balance. 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 historical cost of investment properties at 31 December 2007 was £2,112,000 (2006 £2,107,000).

(d) Contingent tax

Should the property be sold at book value a tax liability of approximately £542,000 (2006 £621,000) would arise.

BULL RING (GP) LIMITED**NOTES TO THE ACCOUNTS**Year ended 31 December 2007**5 INVESTMENTS**

	2007	2006
	£'000	£'000
Shares in quoted companies	<u>10</u>	<u>10</u>

6 DEBTORS

	2007	2006
	£'000	£'000
Trade debtors	55	26
Other debtors	6	6
Prepayments (see note 4)	12	29
	<u>73</u>	<u>61</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£'000	£'000
Funds provided by partners to acquire investments	10	10
Trade creditors	2	2
Tax creditors	30	86
Other creditors	32	23
Accruals	56	60
	<u>130</u>	<u>181</u>

Other creditors above include an amount of £24,191 (2006:£12,931) owed to the Bull Ring Limited Partnership

BULL RING (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£'000	£'000
Other creditors	<u>1,463</u>	<u>1,599</u>

Other creditors represent amounts owed to the partners of the Bull Ring Limited Partnership. The amounts owed are interest free and are only repayable in the event that the Partnership is wound up. They are not repayable by instalments. In the opinion of the directors, these loans are not repayable within one year, so they have been classified in creditors falling due after more than one year in both the current year and the prior year.

9 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000
At 1 January 2007	73
Movement in the year	5

At 31 December 2007	<u>78</u>

	2007	2006
	£'000	£'000
Deferred tax		
Accelerated capital allowances	<u>78</u>	<u>73</u>

10 CALLED UP SHARE CAPITAL

	2007	2006
	£'000	£'000
Authorised, called up, allotted and fully paid 180,000 shares of 1p each	<u>2</u>	<u>2</u>

BULL RING (GP) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

11 RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
Balance at 1 January 2007	2,252	377
Profit for the financial year	-	157
Movement in revaluation of investment properties	(74)	-
Movement in UITF28 adjustment	17	-
	-----	-----
Balance at 31 December 2007	<u>2,195</u>	<u>534</u>

12 RELATED PARTIES

Other than as disclosed in notes 7 and 8, there were no material related party transactions during the year

13 CONTROLLING PARTIES

The Ordinary 1p shares are owned in equal proportions by Hammerson Bull Ring Limited, Henderson BRLP1 Limited, Henderson BRLP2 Limited and Land Securities Bull Ring (LP) Limited

Registered Number LP6353

THE BULL RING LIMITED PARTNERSHIP

REPORT AND ACCOUNTS

Year ended 31 December 2007

THE BULL RING LIMITED PARTNERSHIP

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THE BULL RING LIMITED PARTNERSHIP

REPORT OF THE GENERAL PARTNER

Year ended 31 December 2007

The general partner submits its report and the partnership financial statements for the year ended 31 December 2007

1 BUSINESS OF THE LIMITED PARTNERSHIP

The Limited Partnership acts as an investment partnership to hold certain investments in Birmingham City Centre including the Bullring Shopping Centre

2 RESULTS

The Partnership made a profit for the year of £37,091,000 (2006 £42,528,000)

3 PARTNERS

Bull Ring (GP) Limited acts as general partner to the Limited Partnership Land Securities Bull Ring (LP) Limited (ultimately controlled by Land Securities Group PLC), Hammerson Bull Ring Limited (ultimately controlled by Hammerson plc), Henderson BRLP1 Limited and Henderson BRLP2 Limited (both ultimately controlled by The Henderson UK Shopping Centre Fund) are the limited partners

4 DISCLOSURE OF INFORMATION TO AUDITORS

The directors of the General Partner who held office at the date of approval of this report of the General Partner confirm that, so far as they are aware, there is no relevant audit information of which the Limited Partnership's auditors are not aware, and each director has taken all steps that ought to have taken as a director to make them aware of any relevant audit information and to establish that the Limited Partnership's auditors are aware of that information

5 AUDITORS

KPMG LLP have indicated their willingness to continue in office



For and on behalf of the General Partner

20 June 2008

THE BULL RING LIMITED PARTNERSHIP

STATEMENT OF THE GENERAL PARTNER'S RESPONSIBILITIES

The Bull Ring 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 1993/1820) 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.

Bull Ring (GP) Limited, acting as the general partner, is responsible under Article 13 of the Limited Partnership Agreement of 21 July 1999 for the preparation of the Partnership accounts in accordance with English law and generally accepted accounting principles and practices.

The general partner is required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Partnership as at the end of the financial period and of the profit or loss of the Partnership for that period. In preparing those financial statements, the general partner is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 partner is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable it to ensure that the financial statements comply with SI 1993/1820 (Regulation 4). It is also responsible for the system of internal control, for safeguarding the assets of the Partnership and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE PARTNERS OF THE BULL RING LIMITED PARTNERSHIP

We have audited the financial statements of The Bull Ring Limited Partnership 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 cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out herein.

This report is made solely to the Partners, 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 Partners those matters we are required to state to them in an auditor's 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 Partnership and the Partners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of partners and auditors

As described in the statement of the general partner's responsibilities on page 3, the General Partner is responsible for the preparation of the financial statements. 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 and are properly prepared in accordance with regulation 4 of SI 1993/1820 (Partnerships and Unlimited Companies (Accounts) Regulations 1993) and the Limited Partnership Agreement. We also report if, in our opinion, the General Partner's report is not consistent with the financial statements, 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 transactions with the Partnership is not disclosed.

We read the Report of the General Partner 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Partnership'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 regulation 4 of SI 1993/1820 (Partnerships and Unlimited Companies (Accounts) Regulations 1993) and the Limited Partnership Agreement, and
- the information given in the Report of the General Partner is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor

20 June 2008

THE BULL RING LIMITED PARTNERSHIP

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Gross rental income		43,342	48,508
Rents payable and other property outgoings		(6,052)	(5,591)
		-----	-----
Net rental income	1(b)	37,290	42,917
Administration expenses	3	(452)	(716)
		-----	-----
Operating profit		36,838	42,201
Interest receivable	4	253	327
		-----	-----
Profit for the year transferred to partners' current accounts	10	<u>37,091</u>	<u>42,528</u>

All activities derive from continuing operations

THE BULL RING LIMITED PARTNERSHIP

BALANCE SHEET

31 December 2007

	Note	2007		2006	
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Land and buildings	6		936,167		947,455
Current assets					
Debtors	7	15,876		13,285	
Short term deposits		300		4,085	
Cash		1,524		3,764	
		-----		-----	
Total current assets		17,700		21,134	
Creditors: amounts falling due within one year	8	(13,792)		(15,120)	
		-----		-----	
Net current assets			3,908		6,014
			-----		-----
Total assets less current liabilities			940,075		953,469
Creditors: amounts falling due after more than one year	9		(159,678)		(197,905)
			-----		-----
Net assets attributable to partners	10		780,397		755,564
			=====		=====

The financial statements were approved by the general partner on *20 June* 2008

Signed on behalf of the general partner by



For and on behalf of the General Partner

THE BULL RING LIMITED PARTNERSHIP

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2007

	2007 £'000	2006 £'000
Profit for the financial year	37,091	42,528
(Deficit) / surplus arising on revaluation	(12,258)	66,396
	-----	-----
Total recognised gains and losses for the year	<u>24,833</u>	<u>108,924</u>

RECONCILIATION OF MOVEMENTS IN PARTNERS' FUNDS

Year ended 31 December 2007

	2007 £'000	2006 £'000
Partners' funds at 1 January	755,564	646,640
Profit for the year	37,091	42,528
(Deficit) / surplus arising on revaluation	(12,258)	66,396
	-----	-----
Partners' funds at 31 December	<u>780,397</u>	<u>755,564</u>

THE BULL RING LIMITED PARTNERSHIP

CASH FLOW STATEMENT Year ended 31 December 2007

	2007 £'000	2006 £'000
Operating profit	36,838	42,201
(Increase)/decrease in debtors	(2,591)	730
(Decrease)/increase in creditors	(13)	557
	-----	-----
Net cash flow from operating activities	34,234	43,488
Cash inflow from returns on investment and servicing of finance		
Interest received	253	327
Financial investments and capital expenditure		
Capital expenditure	(2,285)	(1,035)
	-----	-----
Cash inflow before use of short term deposits and financing	32,202	42,780
Decrease / (increase) in short term deposits	3,785	(2,584)
Financing		
Loans repaid to partners	(38,227)	(45,957)
	-----	-----
Decrease in cash in the year	<u>(2,240)</u>	<u>(5,761)</u>

THE BULL RING LIMITED PARTNERSHIP

ANALYSIS OF MOVEMENT IN NET DEBT for the year ended 31 December 2007

	Short term deposits £'000	Cash £'000	Partners' loans £'000	Net debt £'000
Balance at 1 January 2007	4,085	3,764	(197,905)	(190,056)
Cash flow	(3,785)	(2,240)	38,227	32,202
Balance as at 31 December 2007	<u>300</u>	<u>1,524</u>	<u>(159,678)</u>	<u>(157,854)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT for the year ended 31 December 2007

	2007 £'000	2006 £'000
Decrease in cash in the year	(2,240)	(5,761)
(Decrease) / increase in short term deposits	(3,785)	2,584
Decrease in Partners' loans	38,227	45,957
Change in net debt resulting from cash flow	<u>32,202</u>	<u>42,780</u>
Net debt at 1 January	(190,056)	(232,836)
Net debt at 31 December	<u>(157,854)</u>	<u>(190,056)</u>

THE BULL RING LIMITED PARTNERSHIP

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 in accordance with applicable United Kingdom accounting standards

(b) Net rental income

Rent increases arising from rent reviews due during the year are taken into account only to the extent that such reviews have been agreed with tenants at the accounting date. For newly developed properties, or other new leases, rental income is spread evenly over the period from the point at which the property is ready for its intended use 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

In accordance with the Accounting Standards Board's Urgent Issues Task Force Abstract 28 'Operating Lease Incentives' (UITF28), the cost of all lease incentives (such as rent-free periods or contributions to fitting out costs) are spread evenly over the period to the date of the next rent review or the lease end date, whichever is shorter

(c) 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

(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

THE BULL RING LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

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 partners consider that this policy results in the accounts giving a true and fair view.

2 LIMITED PARTNERSHIP AGREEMENT ("The Agreement")

- (a) The Agreement dated 21 July 1999 states that the purpose of the Partnership is to carry out property investment and development.
- (b) During the year the Bull Ring (GP) Limited acting as the general partner had an interest of 0.46% in the profits and assets of the Partnership. Hammerson Bull Ring Limited and Land Securities Bull Ring (LP) Limited acting as the limited partners had interests of 33.18% each in the profits and assets of the Partnership. Henderson BRLP1 Limited and Henderson BRLP2 Limited acting as limited partners each had interests of 16.9218% and 16.2582% respectively in the profits and assets of the Partnership.

3. ADMINISTRATION EXPENSES

The directors of the General Partner did not receive any remuneration for services to the Limited Partnership during the current financial or previous financial year. The services of the directors are of a non-executive nature. Accordingly, no directors' emoluments are charged for the current or previous financial year.

The partnership had no employees in either the current year or previous year.

BULL RING LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

3 ADMINISTRATION EXPENSES (continued)

The partnership had no employees in either the current year or previous year

	2007	2006
	£'000	£'000
Management fees payable	360	383
Auditors remuneration		
- current year	18	45
- over accrual in prior years	(33)	-
Valuation fees	90	277
Other administration expenses	17	11
	-----	-----
	452	716
	=====	=====

4 NET INTEREST RECEIVABLE

	2007	2006
	£'000	£'000
Interest received	253	327
	=====	=====

5 TAXATION

The Partnership itself is not subject to UK corporation tax Tax arising on the income of the Partnership is a charge on the partners themselves

6 LAND AND BUILDINGS

(a) The movements in the year on the valuation of investment properties were

	Long Leasehold £'000
At 1 January 2007	947,455
Amounts included in prepayments under UITF 28	6,350

Valuation at 1 January 2007	953,805
Additions at cost	970
Deficit on revaluation of property	(16,050)

Valuation at 31 December 2007	938,725
Amount included in prepayments under UITF 28	(2,558)

At 31 December 2007	936,167
	=====

BULL RING LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

6 LAND AND BUILDINGS (continued)

- (b) The partnership's property is stated at market value at 31 December 2007, 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 surplus arising on revaluation has been transferred to the revaluation reserve.
- (c) The historical cost of investment properties at 31 December 2007 was £458,786,000 (2006 £457,816,000).

7 DEBTORS

	2007	2006
	£'000	£'000
Trade debtors	12,055	5,649
Other debtors	1,263	1,286
Prepayments	2,558	6,350
	-----	-----
	15,876	13,285
	=====	=====

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£'000	£'000
Trade creditors	435	373
Other creditors	1,749	1,718
Accruals and deferred income	11,608	13,029
	-----	-----
	13,792	15,120
	=====	=====

No interest is charged on amounts owed to partners or their ultimate parents, other related companies or controlling parties.

BULL RING LIMITED PARTNERSHIP

NOTES TO THE ACCOUNTS

Year ended 31 December 2007

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£'000	£'000
Amounts owed to partners	<u>159,678</u>	<u>197,905</u>

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.

10 NET ASSETS ATTRIBUTABLE TO PARTNERS

	2007	2006
	£'000	£'000
At 1 January	755,564	646,640
Profit for the year	37,091	42,528
Movement in revaluation of investment properties	(16,050)	62,864
Movement in UITF28 adjustment (see note 6)	3,792	3,532
	<u>-----</u>	<u>-----</u>
At 31 December	<u>780,397</u>	<u>755,564</u>

11 RELATED PARTIES

Other than disclosed in notes 8, 9 and 10 there were no material related party balances during the year. Fees paid for management services to controlling parties during the year were £360,000 (2006: £382,879). These are included in administration expenses in note 3.

12. CONTROLLING PARTIES

Bull Ring (GP) Limited acts as general partner to the Limited Partnership. Land Securities Bull Ring (LP) Limited (ultimately controlled by Land Securities Group PLC), Hammerson Bull Ring Limited (ultimately controlled by Hammerson plc), Henderson BRLP1 Limited and Henderson BRLP2 Limited (both ultimately controlled by The Henderson UK Shopping Centre Fund) are the limited partners.