THE DIRECTORS

Board of Directors

Sydney Mason, FSVA *Chairman*

R.R. Spinney, FRICS *Chief Executive*

J.R. Parry, MA, FRICS *Managing Director*

H.R. Vogt, FRICS *Deputy Managing Director*

G.D. Gwilt, MA, FFA*†

E.B. Heyland, BA, MBA

A.M. Glick, BS, LLB, JD*

A.S. Bell, FFA, FPMI*

R.S. Johnson, BA, FCIS

J.M.D. Scott, FRICS

J.H. Riddell, LLB, CA, FCMA, ATII

M.M. Gill, FRICS

T. Ball, FRICS, FVLE

R.J.G. Richards, BSc., FRICS

G. Maitland Smith, FCA*†

W.H. Cairns, Dip. Ag., FVLE*

T.O. Hutchison, BSc., FRSE*†

**Non-executive Director and member of the Remuneration Committee*

†Member of the Audit Committee

Secretary and Registered Office

R.S. Johnson, BA, FCIS
100 Park Lane
London W1Y 4AR
Telephone 071-629 9494
Facsimile 071-629 0498
Registered Number 360632 England

REPORT OF THE DIRECTORS

The Directors submit their Report and the audited financial statements for the year ended 31st December 1992.

1. Results for the year

The results for the year are set out in the consolidated profit and loss account on page 24.

Operating profit was £44.3 million, compared with £55.4 million in 1991. Profit after taxation and minority interests was £18.3 million (1991: £37.4 million) and earnings per share were 11.0p (1991: 22.5p).

2. Dividends

The Directors recommend a final dividend of 6.5p per share which, together with the interim dividend paid on 10th December 1992, will make a total dividend for the year of 10p (1991: 20.5p). As in previous years, shareholders have the option of taking all or part of their dividend in shares in lieu of cash.

3. Principal activity

The principal activity of the Group has continued to be property investment and development. The Chairman's Statement and the Review of Operations should be read in conjunction with this Report.

4. Fixed assets

Changes in tangible fixed assets during the year are set out in note 10 to the accounts, whilst details of the Group's property portfolio are provided on pages 50 to 55.

5. Share capital

During the year under review the issued capital was increased by the issue of 171,441 Ordinary shares of 25p each and 167,326 'A' Ordinary (limited voting) shares of 25p each as a result of the election by shareholders to receive such shares in lieu of a cash dividend.

6. Substantial interests in the share capital of the Company

At 7th April 1993, other than the non-beneficial holdings of Mr. Sydney Mason referred to in 7(i) below, the only notices received from shareholders of the Company interested in 3% or more of either class of the share capital of the Company were as follows:

	Ordinary shares of 25p each (% of class)	*'A' Ordinary (limited voting) shares of 25p each (% of class)*	*Percentage of total issued capital*
Standard Life Assurance Company	11,345,206 (31.29%)	27,934,400 (21.39%)	23.55%
A.M.P. Asset Management plc	2,604,426 (7.18%)	12,655,175 (9.69%)	9.15%
Algemeen Burgerlijk Pensioenfonds	– –	8,273,450 (6.34%)	4.96%
Royal London Asset Management Limited	– –	5,695,536 (4.36%)	3.41%
ICI Pension Fund	1,604,324 (4.43%)	1,810,000 (1.39%)	2.05%
Louis Dreyfus Holding Company Inc.	2,024,852 (5.59%)	– –	1.21%
Prudential Corporation group	1,173,000 (3.24%)	80,000 (0.06%)	0.75%

REPORT OF THE DIRECTORS

7. Directors

(a) Sydney Mason, J. R. Parry, H. R. Vogt, E. B. Heyland, R. S. Johnson, J. M. D. Scott, J. H. Riddell, M. M. Gill, T. Ball and R. J. G. Richards were executive Directors of the Company throughout the financial year.

(b) R. R. Spinney has been appointed an executive Director and Chief Executive with effect from 1st May 1993.

(c) G. D. Gwilt (65), who is an actuary, was appointed a non-executive Director on 9th November 1979.

A. M. Glick (63), who is a partner in the law firm of Falk & Siemer based in Buffalo, USA, was appointed a non-executive Director on 27th February 1986.

A. S. Bell (51), who is Managing Director of Standard Life Assurance Company, was appointed a non-executive Director on 1st January 1988.

G. Maitland Smith (60), who is a chartered accountant and Chairman of Sears plc and Deputy Chairman of Midland Bank plc, was appointed a non-executive Director on 19th April 1990.

W. H. Cairns (63), who is a valuer and land economist, was appointed a non-executive Director on 19th April 1990.

T. O. Hutchison (62), who is Deputy Governor of the Bank of Scotland and Deputy Chairman of Cadbury Schweppes plc, was appointed a non-executive Director on 11th December 1991.

All were non-executive Directors of the Company throughout the financial year. Non-executive Directors of the Company do not have service contracts.

(d) W. Tindale, whose service contract as an executive Director expired on his attaining the age of 60 on 26th March 1992, and who was thereafter appointed a non-executive Director, and R. A. C. Mordant retired at the Annual General Meeting held on 15th June 1992 but did not offer themselves for re-election.

(e) H. R. Vogt, R. S. Johnson, R. J. G. Richards, G. Maitland Smith and W. H. Cairns retire by rotation in accordance with the Articles of Association of the Company and, being eligible, offer themselves for re-election.

(f) R. R. Spinney, having been appointed since the last Annual General Meeting, retires in accordance with the Articles of Association of the Company and, being eligible, offers himself for election.

REPORT OF THE DIRECTORS

(g) J. R. Parry will retire at the conclusion of the Annual General Meeting on 14th June 1993.

(h) H. R. Vogt, E. B. Heyland, R. S. Johnson, J. M. D. Scott, J. H. Riddell, M. M. Gill, T. Ball and R. J. G. Richards each has a five-year rolling service contract which will automatically expire on their attaining the age of 60. R. R. Spinney has a three-year rolling service contract which will automatically expire at the end of the calendar year in which he attains the age of 60. Sydney Mason does not have a service contract.

(i) The interests of the Directors (including family interests) in the share capital of the Company are shown below.

	Ordinary shares of 25p each	*'A' Ordinary (limited voting) shares of 25p each*	*Options for 'A' Ordinary (limited voting) shares of 25p each '1961 scheme'*	*Options for 'A' Ordinary (limited voting) shares of 25p each '1984 scheme'*
At 1st January 1992				
Beneficial holdings				
Sydney Mason	125,000	–	–	–
J. R. Parry	–	14,000	–	89,910
H. R. Vogt	–	7,908	–	103,730
G. D. Gwilt	–	1,000	–	–
E. B. Heyland	–	25,000	70,000	–
A. M. Glick	1,202	1,500	–	–
R. S. Johnson	–	6,417	–	53,490
J. M. D. Scott	–	–	–	75,560
J. H. Riddell	–	–	–	80,510
M. M. Gill	–	50,000	–	79,620
T. Ball	–	400	80,000	–
R. J. G. Richards	–	–	–	52,590
G Maitland Smith	500	–	–	–
W. H. Cairns	–	–	–	–
T. O. Hutchison	–	–	–	–
Non-beneficial holdings				
Sydney Mason	5,191,864	254,566	–	–

REPORT OF THE DIRECTORS

	Ordinary shares of 25p each	*'A' Ordinary (limited voting) shares of 25p each*	*Options for 'A' Ordinary (limited voting) shares of 25p each '1961 scheme'*	*Options for 'A' Ordinary (limited voting) shares of 25p each '1984 scheme'*
At 31st December 1992				
Beneficial holdings				
Sydney Mason	125,000	–	–	–
J. R. Parry	–	14,000	–	99,740
H. R. Vogt	–	8,396	–	110,830
G. D. Gwilt	–	1,000	–	–
E. B. Heyland	–	25,000	70,000	–
A. M. Glick	1,202	1,500	–	–
R. S. Johnson	–	6,516	–	58,990
J. M. D. Scott	–	–	–	81,500
J. H. Riddell	–	–	–	87,150
M. M. Gill	–	20,000	–	85,570
T. Ball	–	400	80,000	–
R. J. G. Richards	–	–	–	57,390
G. Maitland Smith	507	–	–	–
W. H. Cairns	527	–	–	–
T. O. Hutchison	1,000	–	–	–
Non-beneficial holdings				
Sydney Mason	4,861,564	229,566	–	–

The non-beneficial holdings of Sydney Mason include holdings as joint trustee with others.

The Directors have no interests in the shares or debentures of any subsidiary company.

(j) Between 1st January and 20th April 1993, the Directors' interests as shown above have remained unchanged except that A. M. Glick acquired a beneficial interest in a further 200 'A' Ordinary (limited voting) shares of 25p each.

(k) Professional fees of £309,000, as referred to in note 4 to the accounts, were paid during the year in Canada and the United States to a partnership of which A. M. Glick is a partner.

No other Director has any disclosable interest in contracts entered into by the Group.

(i) The Company operates a Directors and Officers Liability Insurance Policy covering all Group and subsidiary company Directors and Officers.

8. Corporate governance

A summary of the system of governance adopted by the Company appears below:

(a) *Board of Directors*
The Board, comprising executive and non-executive Directors, meets regularly throughout the year. The Board has sole responsibility for overall Group strategy, acquisition and divestment policy, treasury and risk management policies, approval of major capital expenditure projects and consideration of significant matters relating to the raising of finance.

The non-executive Directors are kept fully informed of all major operational and strategic issues and bring an independent judgement to bear on these issues.

(b) *Audit Committee*
The Audit Committee, formed in late 1992 and chaired by Mr. G. Maitland Smith, comprises three non-executive Directors and meets at least three times a year. It monitors the adequacy of the Group's audit arrangements and financial controls. The external auditors and executive Directors may be invited to attend the meetings.

(c) *Remuneration Committee*
The Remuneration Committee, formed in late 1992 and chaired by Mr. T. O. Hutchison, consists entirely of non-executive Directors, and meets to review the terms and conditions of employment of the Directors and senior staff.

(d) *Nomination Committee*
The Nomination Committee, formed in late 1992 and comprising the Chairman Mr. Sydney Mason and six non-executive Directors, deals with all Board appointments.

(e) *The Hammerson Group Management Limited Pension and Life Assurance Scheme*
The Group's principal pension scheme (The Hammerson Group Management Limited Pension and Life Assurance Scheme) is administered by six trustees, three executive Directors and three non-executive Directors of the Company, the Chairman being Mr. T. O. Hutchison. The funds are invested and managed independently of the Group.

REPORT OF THE DIRECTORS

9. Donations

During the year charitable and political donations made by the Group in the United Kingdom amounted to £29,000 and £35,000 respectively. The political donation was made to the Conservative and Unionist Party.

10. Scrip dividend

The Notice of Meeting on pages 57 to 60 includes, as Resolution 10, an ordinary resolution giving effect to the scrip dividend arrangements which are described in the accompanying document.

11. Directors' authority to allot shares

(i) Resolution 11 set out in the Notice of Meeting authorises the Directors to allot relevant securities (as defined in section 80 of the Companies Act 1985) up to a maximum aggregate nominal amount of £15,722,685.

(ii) Resolution 12 set out in the Notice of Meeting empowers the Directors *inter alia* to allot and issue up to £2,085,292 in nominal value of Ordinary shares and 'A' Ordinary (limited voting) shares for cash without being limited by the restrictions otherwise imposed by the statutory pre-emption procedure set out in section 89 of the Companies Act 1985.

These powers will replace similar powers given to the Directors at the Annual General Meeting of the Company in June of last year which will expire at the end of the forthcoming Annual General Meeting.

12. Authority for the Company to purchase its own shares

On 15th June 1992, shareholders authorised the Company to purchase a maximum of 8,324,200 of its own shares at a price not more than 5 per cent above the middle market price of such shares for the 10 dealing days prior to any purchase taking place and not less than the nominal value of such shares. The authority is to expire on 14th June 1993. Shareholders' approval is again being sought under resolution 13 as set out in the Notice of Meeting to authorise the Company to purchase on the London Stock Exchange not more than an aggregate of 8,341,170 Ordinary and 'A' Ordinary (limited voting) shares of 25p each (being 5 per cent of the issued share capital of the Company) at a price not more than 5 per cent above the middle market price of such shares for the 10 dealing days prior to any purchase taking place and not less than the nominal value of such shares. These powers will be exercised only if purchases can be made at prices which have the effect of increasing the Company's net asset value per share and the Board is satisfied that such purchases are in the long-term interests of shareholders. In addition, it will be the policy of the Board to maintain the existing balance between the numbers of Ordinary shares and 'A' Ordinary (limited voting) shares in issue.

The Directors believe that the proposed share purchase authority is in the best interests of the Company.

13. Capital gains tax

For the purposes of computing capital gains tax, the value of the Company's shares on 31st March 1982, after adjustment for the subsequent issue, was 320p for each Ordinary share and 315p for each 'A' Ordinary (limited voting) share. The cost to be used by shareholders in computing the gain on any disposal of shares will, however, vary according to individual circumstances and shareholders should seek professional advice on the amount of tax that may arise.

14. Close Company

The Company is not a Close Company within the meaning of the Income and Corporation Taxes Act 1988.

15. Auditors

A resolution proposing the re-appointment of Touche Ross & Co. as auditors of the Company will be put to the members at the Annual General Meeting.

Registered office
100 Park Lane
London W1Y 4AR

By Order of the Board
R. S. Johnson
Secretary
20th April 1993

FINANCIAL CALENDAR

Full year results	Announced on 20th April 1993
Financial statements	Posted to shareholders on 7th May 1993
Annual General Meeting	To be held on 14th June 1993
Interim results	Anticipated October 1993

Dividends

Interim	Paid on 10th December 1992
*Final (proposed)	**Ex dividend on 10th May 1993 Payable on 15th June 1993
Anticipated interim	December 1993

*Payable to shareholders on the register on 13th May 1993
**The London Stock Exchange

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1992

	Notes	1992 £m	1991 £m
Gross rental income		191.2	166.5
Less rents payable and other property outgoings		65.0	52.3
Net rental income	2	126.2	114.2
Other income	3	5.9	3.8
Net rental and other income		132.1	118.0
Less cost of finance, administration and other charges	4	87.8	62.6
Operating profit		44.3	55.4
Profits from property trading and provisions	2	(13.2)	0.1
Profit on ordinary activities before taxation		31.1	55.5
Less tax on profit on ordinary activities	5	11.0	16.3
Profit on ordinary activities after taxation		20.1	39.2
Less minority interests		1.8	1.8
Profit attributable to shareholders before extraordinary items		18.3	37.4
Extraordinary items	6	59.6	(96.6)
Profit/(Loss) for the financial year attributable to shareholders		77.9	(59.2)
Less dividends	7	16.7	34.1
Retained profit/(loss) for the year		61.2	(93.3)
Earnings per share before extraordinary items	9	11.0p	22.5p

Movements on reserves are set out in note 21 on page 44.

BALANCE SHEETS

as at 31st December 1992

Company 1992 £m	Company 1991 £m		Notes	Group 1992 £m	Group 1991 £m
		FIXED ASSETS			
		Tangible assets			
17.8	21.3	Land and buildings	*10*	1,634.9	1,907.5
–	–	Fixtures, fittings and equipment	*11*	2.0	1.9
17.8	21.3			1,636.9	1,909.4
958.8	988.2	Investments	*12*	25.4	22.8
976.6	1,009.5			1,662.3	1,932.2
		CURRENT ASSETS			
–	–	Stocks	*13*	10.0	70.1
0.5	0.5	Debtors	*14*	33.4	28.4
28.5	6.8	Cash at bank and in hand	*15*	91.0	28.9
29.0	7.3	Total current assets		134.4	127.4
39.6	152.9	Creditors falling due within one year	*16/18*	135.3	208.7
10.6	145.6	Net current liabilities		0.9	81.3
966.0	863.9	*Total assets less current liabilities*		1,661.4	1,850.9
584.7	461.8	Creditors falling due *after more than one year*	*17/18*	897.3	756.2
–	–	Minority interests		21.8	34.7
381.3	402.1			742.3	1,060.0
		CAPITAL AND RESERVES			
41.7	41.6	Called up share capital	[illegible]	41.7	41.6
236.9	237.0	Share premium account	*21*	236.9	237.0
0.4	4.1	Revaluation reserve	*21*	331.7	716.5
0.1	0.1	Other reserves	*21*	1.5	1.5
102.2	119.3	Profit and loss account	*21*	130.5	63.4
381.3	402.1	**Shareholders' funds**		742.3	1,060.0

These financial statements were approved by the Board of Directors on 20th April 1993.

Signed on behalf of the Board

J. R. Parry *Director*

J. H. Riddell *Director*

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st December 1992

	Notes	1992 £m	1992 £m	1991 £m	1991 £m
Net cash inflow from operating activities	22		115.3		108.2
Returns on investment and servicing of finance					
Interest received		6.2		3.8	
Interest paid		(92.9)		(77.2)	
Dividends paid		(33.1)		(32.9)	
Net cash outflow from returns on investment and servicing of finance			(119.8)		(106.3)
Taxation					
Corporation tax paid			(15.9)		(15.7)
Investing activities					
Purchase and development of property		(86.9)		(76.8)	
Sales of property		188.1		13.6	
Other cash outflows from investing activities		(0.3)		(0.2)	
Net cash inflow/(outflow) from investing activities			100.9		(63.4)
Net cash inflow/(outflow) before financing			80.5		(77.2)
Financing					
Issue of unsecured long-term bonds		(92.9)		(57.9)	
Redemption of medium-term bond		61.2		-	
Decrease/(Increase) in medium term borrowings		12.4		(16.4)	
Decrease in short-term borrowings		34.2		52.0	
Financing	22		14.9		(22.3)
Increase/(Decrease) in cash and cash equivalents	22		65.6		(54.9)
			80.5		(77.2)

NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties, in compliance with the Companies Act 1985 and in accordance with all applicable accounting standards.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries, together with the Group's share of net profits and net assets of associates.

Foreign currencies

All assets, liabilities and results denominated in foreign currencies are translated into sterling at rates of exchange ruling at the year end. The rates ruling at 31st December were as follows:

		1992	1991
Canada	£1 = C$	1.93	2.16
Australia	£1 = A$	2.20	2.46
New Zealand	£1 = NZ$	2.95	3.46
USA	£1 = US$	1.51	1.87
France	£1 = Ffr	8.37	9.70
Germany	£1 = DM	2.45	2.84
Holland	£1 = Dfl	2.76	3.20
Spain	£1 = Pta	174.00	181.00

Differences arising from the translation of the net equity investment in overseas subsidiaries and currency loans for such investments have been dealt with through reserves. Differences arising on the revaluation surplus are accounted for in the revaluation reserve. Other differences resulting from the conversion of one currency into another have been dealt with in the profit and loss account.

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.

NOTES TO THE ACCOUNTS

Profits on sale of properties

Profits on sale of properties are taken into account on the completion of contract and receipt of cash. Profits arising from the sale of trading properties acquired with a view to resale are included in the profit and loss account as part of the ordinary activities of the Group. Profits arising from the sale of properties held for investment are treated as extraordinary items.

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 substantially let and income producing, or until income exceeds outgoings.

On new developments, all letting costs are capitalised. On subsequent lettings, the previous costs are written off against the results for the year and the new costs capitalised. Where new costs are less than those previously capitalised, such new costs are written off.

Valuation of properties

Fully completed properties held for long term retention are valued at the balance sheet date at open market value. Any surplus or deficit arising from revaluation is transferred to a revaluation reserve except that permanent shortfalls against the original cost, together with any subsequent adjustments, are included as extraordinary items in the profit and loss account. Properties held for, or in the course of, development and properties held for resale are stated at the lower of cost and net realisable value.

Depreciation

In accordance with Statement of Standard Accounting Practice 19, no depreciation is provided in respect of freehold properties or leasehold properties with over 20 years to expiry. 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 shown cannot be separately identified or quantified. The Directors consider that this policy results in the accounts giving a true and fair view.

Depreciation is provided on fixtures, fittings and equipment on a reducing balance basis having regard to the estimated useful life and residual value of the assets at the rate of 20% per annum in the case of furniture and 25% per annum in the case of motor vehicles.

NOTES TO THE ACCOUNTS

Investments

Investments in the Group's subsidiary companies are stated at cost less amounts written off.

Investments in associated undertakings are stated at the Group's share of net assets, after allowing for the revaluation of the underlying property assets.

Deferred taxation

No provision is made for taxation that may arise on the disposal of any of the Group's properties, except to the extent that a liability may arise in the foreseeable future. Additionally, no provision is made for taxation that may arise if overseas subsidiaries were to distribute their reserves, as it is intended that the funds will be reinvested within the Group.

2. Segmental analysis

(a) Rental income

	Gross rental income	*Property out-goings*	*Net rental income*	*Gross rental income*	*Property out-goings*	*Net rental income*	*Net rental income*
	1992	1992	1992	1991	1991	1991	1991*
	£m	£m	£m	£m	£m	£m	£m
Turnover							
United Kingdom	82.3	22.5	59.8	70.0	17.7	52.3	52.3
Canada	57.9	28.7	29.2	51.7	24.4	27.3	30.5
Australasia	25.6	4.4	21.2	24.5	3.8	20.7	23.2
USA	8.1	5.5	2.6	7.7	5.4	2.3	2.9
Continental Europe	17.3	3.9	13.4	12.6	1.0	11.6	13.5
	191.2	65.0	126.2	166.5	52.3	114.2	122.4

* Adjusted to 1992 exchange rates

NOTES TO THE ACCOUNTS

2. Segmental analysis *(continued)*

(b) Profits from property trading and provisions

		1992 £m	1991 £m
Profits from property trading	: United Kingdom	0.1	0.1
Provision against trading properties	: Canada	(12.9)	–
	: United Kingdom	(0.4)	–
		(13.2)	0.1

The turnover from property trading was £2.6m (1991: £0.2m)

(c) Assets employed

	1992 £m	1991 £m
Segmental analysis of the Group's assets employed		
United Kingdom	613.7	720.6
Canada	416.8	511.4
Australasia	205.6	267.9
USA	75.7	58.1
Continental Europe	275.3	326.1
	1,587.1	1,884.1
Net borrowings	(844.8)	(824.1)
Assets employed	742.3	1,060.0

3. Other income

	1992 £m	1991 £m
Interest receivable from associated undertaking	2.0	1.6
Share of losses of associated undertaking	(0.6)	(0.5)
	1.4	1.1
Interest receivable from other sources	4.5	2.2
Other	–	0.5
	5.9	3.8

NOTES TO THE ACCOUNTS

4. Cost of finance, administration and other charges

(a) Summary

	1992	1991	1991*
Interest payable	£m	£m	£m
Loans repayable within five years	60.5	61.3	69.8
Loans not repayable within five years	30.4	17.5	17.8
Interest payable and other charges	90.9	78.8	87.6
Administrative expenses	17.6	15.9	16.9
	108.5	94.7	104.5
Less Interest payable and other charges capitalised	12.1	32.1	35.2
Interest allocated to provision against 420 Fifth Avenue, New York	8.6	–	–
	87.8	62.6	69.3

* Adjusted to 1992 exchange rates.

In addition to the above, property outgoings of £4.0m (1991: £3.3m) have been added to the cost of properties.

(b) Administrative expenses include:

(i) Directors' emoluments

	1992	1991
	£000	£000
Fees	85	80
Remuneration as executives (including funding of past years' pension obligations)	2,971	2,770

The emoluments of the Directors, excluding pension scheme contributions, were as follows:

	1992	1991
	£000	£000
Chairman and highest paid Director	256	258

4. Cost of finance, administration and other charges *(continued)*

(i) Directors' emoluments *(continued)*

Other Directors	*Number* 1992	1991	*Other Directors*	*Number* 1992	1991
Nil to £5,000	–	1	£135,001 to £140,000	1	1
£ 5,001 to £ 10,000	1	–	£140,001 to £145,000	–	1
£ 10,001 to £ 15,000	5	4	£145,001 to £150,000	2	1
£ 15,001 to £ 20,000	1	2	£155,001 to £160,000	–	1
£ 50,001 to £ 55,000	1	–	£160,001 to £165,000	1	–
£115,001 to £120,000	–	1	£165,001 to £170,000	–	1
£120,001 to £125,000	1	–	£175,001 to £180,000	1	–
£125,001 to £130,000	–	1	£230,001 to £235,000	–	1
			£240,001 to £245,000	1	–

The management duties of two Directors were wholly discharged outside the United Kingdom.

During the year, the Group paid professional fees in Canada and the USA amounting to £309,000 (1991: £194,000) to a partnership of which a non-executive Director is a member.

(ii) Staff costs, excluding Directors

	1992 £m	1991 £m
Salaries and wages	8.1	7.5
Social security payments	0.7	0.6
Pension scheme contributions	2.2	1.8
	11.0	9.9

Of the above amount £4.1m (1991: £3.2m) was recharged to, and recovered from, tenants.

(iii) Staff numbers

During the year the Group employed an average of 391 staff (1991: 384) of whom some 238 (1991: 225) were employed directly at the Group's properties and their costs recharged to tenants. Wherever practicable, it is the policy of the Group to appoint external property managing agents.

	1992 £m	1991 £m
(iv) Auditors' remuneration: audit	0.4	0.4
: other fees	0.5	0.2
(v) Depreciation of fixtures, fittings and equipment	0.5	0.5

5. Tax on profit on ordinary activities

	1992	1991
	£m	£m
United Kingdom corporation tax calculated at 33% (1991: 33.25%)	7.3	7.3
Double tax relief	(1.7)	(1.3)
	5.6	6.0
Advance corporation tax written off on payment of dividends	0.5	5.8
Advance corporation tax credit arising from scrip dividends	(0.4)	(0.4)
Overseas taxation	5.3	4.9
	11.0	16.3

In calculating the tax charge, allowance is made for losses brought forward, relief for development outgoings added to the cost of properties, and allowances for capital expenditure.

6. Extraordinary items

	1992	1991
	£m	£m
Provisions against land and buildings	(3.5)	(95.5)
Profit/(loss) on disposal of investment properties	63.1	(1.1)
	59.6	(96.6)

No tax is payable on the profit on sale arising from the disposal of investment properties in the year.

NOTES TO THE ACCOUNTS

7. Dividends

	1992	1991
	£m	£m
Interim 3.5p (1991: 3.5p) per share	5.8	5.8
Final proposed 6.5p (1991: 17p) per share	10.9	28.3
	16.7	34.1

8. Retained profit/(loss) for the year

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The loss for the year attributable to shareholders dealt with in the financial statements of the Company was £1.5m (1991: profit £5.4m).

9. Earnings per share

The earnings per 25p Ordinary and 25p 'A' Ordinary (limited voting) share of 11.0p (1991: 22.5p) were in each case based on:

	1992	1991
Profit attributable to shareholders before extraordinary items	£18.3m	£37.4m
Average number of shares in issue	166.6m	166.4m

10. Land and buildings

(a) Investment properties

	Book value		Cost	
	1992	1991	1992	1991
	£m	£m	£m	£m
Fully developed properties	1,514.6	1,756.0	1,103.3	1,012.6
Properties held for or in the course of development	120.3	151.5	120.3	151.5
	1,634.9	1,907.5	1,223.6	1,164.1

Fully developed properties have been valued at open market value as at 31st December 1992 in each region by professionally qualified valuers: Donaldsons, Chartered Surveyors, in the United Kingdom and Jones Lang Wootton, Chartered Surveyors, overseas.

As at 31st December 1992 the open market value of trading stock and development properties was £137.7m. In accordance with note 1, trading stock and development properties are stated in these financial statements at the lower of cost and net realisable value. The total amount of interest included in development properties at 31st December 1992 was £15.6m (1991: £40.7m). The valuation of trading properties transferred to land and buildings was greater than their historical cost at the date of transfer.

A geographical analysis of the Group's properties is provided on page 50.

Should the Group's properties be sold at their open market value a tax liability of approximately £131m (1991: £175m) would arise. No provision for this contingent liability has been made as it is not expected that any liability will arise in the foreseeable future.

10. Land and buildings *(continued)*

(b) Movements in the year

	Freeholds	Long leaseholds	Short leaseholds	Total
	£m	£m	£m	£m
Group				
Balance 1st January 1992	1,383.1	519.8	4.6	1,907.5
Exchange adjustment	133.3	14.4	0.2	147.9
Transfer from stock	47.4	–	–	47.4
Purchase of freehold	28.0	(28.0)	–	–
Additions at cost	37.5	38.4	–	75.9
Disposals at valuation	(201.4)	–	–	(201.4)
Development outgoings capitalised	24.7	–	–	24.7
Revaluation deficit	(287.3)	(74.4)	(1.9)	(363.6)
Provisions	(3.5)	–	–	(3.5)
Balance 31st December 1992	1,161.8	470.2	2.9	1,634.9

	£m	£m	£m	£m
Company				
Balance 1st January 1992	7.0	14.3	–	21.3
Additions at cost	0.1	0.1	–	0.2
Revaluation deficit	(0.8)	(2.9)		(3.7)
Balance 31st December 1992	6.3	11.5	–	17.8

(c) Capital commitments including those relating to trading properties amount to:

	1992	1991
	£m	£m
Contracted	6.6	15.6
Authorised but not contracted	17.4	15.8
	24.0	31.4

NOTES TO THE ACCOUNTS

11. Fixtures, fittings and equipment

Fixtures, fittings and equipment installed in the head office and overseas offices

	Cost	Depreciation	Net book value
	£m	£m	£m
Balance 1st January 1992	5.0	(3.1)	1.9
Exchange adjustment	0.4	(0.2)	0.2
Additions	0.5	(0.5)	–
Disposals	(1.0)	0.9	(0.1)
Balance 31st December 1992	4.9	(2.9)	2.0

12. Investments

Group

Associated undertakings	Share of net assets	Loans	Total
	£m	£m	£m
Balance 1st January 1992	4.7	18.1	22.8
Exchange adjustment	0.8	2.8	3.6
Revaluation deficit	(1.2)	–	(1.2)
Share of losses of associated undertaking	(0.6)	–	(0.6)
Other movements	–	0.8	0.8
Balance 31st December 1992	3.7	21.7	25.4

The Group's 30% interest in its associated undertaking, Essen Shopping Center B.V., a company incorporated in the Netherlands, is stated after allowing for the revaluation of the underlying property assets. The main activities of Essen Shopping Center B.V. are property investment and development, with finance provided by the Group and its partner, Algemeen Burgerlijk Pensioenfonds, 'ABP'.

Company

Investment in Group companies	Shares	Loans	Total
	£m	£m	£m
Balance 1st January 1992	1.0	987.2	988.2
Additions	417.1	–	417.1
Repayments	–	(446.5)	(446.5)
Balance 31st December 1992	418.1	540.7	958.8

NOTES TO THE ACCOUNTS

13. Stocks

Properties held for resale

	£m
Balance 1st January 1992	70.1
Exchange adjustment	5.9
	76.0
Transfer to land and buildings	(47.4)
Additions	0.3
Disposals	(5.6)
Provisions	(13.3)
Balance 31st December 1992	10.0

14. Debtors

	Group		Company	
	1992	1991	1992	1991
	£m	£m	£m	£m
Trade debtors	12.0	11.0	0.2	0.1
Other debtors	12.2	9.9	–	–
Prepayments	9.2	7.5	0.3	0.4
	33.4	28.4	0.5	0.5

15. Cash at bank and in hand

	Group		Company	
	1992	1991	1992	1991
	£m	£m	£m	£m
Sterling	36.0	13.9	26.4	6.8
Australian dollars	5.6	1.6	1.7	–
US dollars	2.4	12.5	0.1	–
Deutschemarks	45.9	0.4	0.1	–
Other currencies	1.1	0.5	0.2	–
	91.0	28.9	28.5	6.8

The Group's cash balances at 31st December 1991 of £28.9m were equivalent to £32.4m retranslated at 1992 exchange rates.

16. Creditors falling due within one year

	Group		*Company*	
	1992	1991	1992	1991
	£m	£m	£m	£m
Borrowings	47.8	103.9	–	98.0
Trade creditors	22.5	25.5	0.2	0.3
Amounts owed to subsidiaries	–	–	14.9	7.2
Other creditors	19.1	12.7	0.2	2.0
Taxation	11.4	16.1	5.6	6.5
Proposed dividend	10.9	28.4	10.9	28.4
Accruals	23.6	22.1	7.8	10.5
	135.3	208.7	39.6	152.9

17. Creditors falling due after more than one year

	Group		*Company*	
	1992	1991	1992	1991
	£m	£m	£m	£m
Borrowings	888.0	749.1	584.7	461.8
Trade creditors	–	1.6	–	–
Other creditors	9.3	5.5	–	–
	897.3	756.2	584.7	461.8

18. Borrowings

(a) Borrowings are repayable as follows:

	Secured debentures and mortgages £m	Unsecured bank loans and overdrafts £m	Unsecured other loans £m	Total 1992 £m	Total 1991 £m
Group					
After 5 years	52.0	–	257.6	309.6	241.7
Within 2 – 5 years	7.6	421.9	148.9	578.4	507.4
	59.6	421.9	406.5	888.0	749.1
Within 1 year	0.8	47.0	–	47.8	103.9
	60.4	468.9	406.5	935.8	853.0
Company					
After 5 years	15.0	–	192.9	207.9	148.3
Within 2 – 5 years	–	363.5	13.3	376.8	313.5
	15.0	363.5	206.2	584.7	461.8
Within 1 year	–	–	–	–	98.0
	15.0	363.5	206.2	584.7	559.8

Security for secured borrowings is provided by charges on property.

(b) The Group's borrowings at 31st December 1992 were constituted as follows:

	Secured debentures and mortgages £m	Unsecured bank loans and overdrafts £m	Unsecured other loans £m	Total 1992 £m	Total 1991 £m
Sterling	29.7	34.1	116.0	179.8	190.4
Canadian dollars	30.3	183.4	192.1	405.8	340.5
Australian dollars	0.4	20.1	–	20.5	18.4
US dollars	–	8.1	98.4	106.5	97.9
French francs	–	72.2	–	72.2	63.8
Deutschemarks	–	110.0	–	110.0	111.4
Spanish pesetas	–	41.0	–	41.0	30.6
	60.4	468.9	406.5	935.8	853.0

The Group's borrowings at 31st December 1991 of £853.0m were equivalent to £948.2m retranslated at 1992 exchange rates.

NOTES TO THE ACCOUNTS

18. Borrowings *(continued)*

(c) Rates at which interest is charged on borrowings due after one year

	£m
Up to 7%	19.2
7% – 10%	143.5
10% – 13%	245.8
	408.5
Variable rates	479.5
	888.0

(d) Borrowings fall due for repayment as follows:

Repayment year	*Loans repayable in full in repayment year*	*Loans repayable in instalments*	*Loans under-written by medium term facilities*	*Total*
	£m	£m	£m	£m
1993	47.0	0.8	–	47.8
1994	94.3	0.8	174.1	269.2
1995	113.5	1.1	–	114.6
1996	51.8	4.8	–	56.6
1997	137.1	0.9	–	138.0
1993 – 1997	443.7	8.4	174.1	626.2
1998 – 2002	64.8	15.5	–	80.3
Thereafter	218.1	11.2	–	229.3
	726.6	35.1	174.1	935.8

(f) Publicly listed debt profile

Listed on The London Stock Exchange

£200,000,000 10.75% Unsecured Notes. £100,000,000 Notes were issued by the parent company in March 1989 in denominations of £10,000 and £100,000 redeemable at par on 7th December 2013. A further £100,000,000 Notes were issued in May 1992 in the same denominations and with the same redemption rights. Interest is payable annually in arrears on 7th December.

Listed on The Toronto Stock Exchange

C$125,000,000 10.25% Guaranteed Senior Debentures Series A due 1st April 2002 issued by Hammerson Canada Inc. in December 1991 in denominations of C$1,000. Interest is payable semi-annually in arrears on 1st April and 1st October.

19. Pensions

The Group operates a defined benefit pension scheme in the United Kingdom – The Hammerson Group Management Limited Pension and Life Assurance Scheme ('the Scheme'). The Scheme's funds are administered by trustees and are independent of the Group's finances.

Contributions have been assessed in accordance with the advice of a qualified actuary using the Aggregate Funding Method with the pension cost for 1992 being £1.6m (1991: £1.7m), which includes £0.4m (1991: £0.4m) in respect of the amortisation over five years of special payments in 1989 and 1990 of £1.6m and £0.3m. At 31st December 1992, unamortised contributions of £0.7m were included in prepayments. An actuarial review of the Scheme was made at 1st January 1993 with the principal actuarial assumptions being that salaries would increase at 3.5% more than price inflation and that dividends would increase at a rate equal to price inflation. Full allowance was made for pensions in payment to increase in accordance with the rules of the Scheme and also to reflect the past established practice within the Group.

At the date of the latest actuarial review, the market value of the assets was £11.7m and the actuarial value of the assets was sufficient to cover 118% of the benefits that had accrued to members after fully allowing for future salary increases.

In respect of the overseas Pension Schemes, both defined benefit schemes and defined contribution schemes, the amount charged to the profit and loss account was £1.6m (1991: £0.9m).

20. Share capital

(a) Authorised and issued

	Authorised		*Allotted issued and fully paid*	
	1992	1991	1992	1991
	£m	£m	£m	£m
Ordinary shares of 25p each	12.5	12.5	9.1	9.0
'A' Ordinary (limited voting) shares of 25p each	46.7	46.7	32.6	32.6
	59.2	59.2	41.7	41.6

(b) Movements in issued share capital

	Ordinary shares of 25p each No. of shares	*'A' Ordinary (limited voting) shares of 25p each No. of shares*
Number of shares in issue at 1st January 1992	36,081,731	130,402,906
Shares allotted in lieu of cash dividend	171,441	167,326
Number of shares in issue at 31st December 1992	36,253,172	130,570,232

(c) At 31st December 1992 the following options granted to executive Directors and senior staff members remained outstanding:

Expiry year	*Subscription price* pence	*'A' Ordinary (limited voting) shares of 25p each*
1995	500.00 – 522.50	152,236
1996	500.00	24,050
1997	500.00 – 669.00	180,000
1998	572.00 – 672.00	229,700
1999	781.00 – 859.00	353,300
2000	712.00	310,230
2001	629.00	178,520
2002	350.00	167,280
		1,595,316

NOTES TO THE ACCOUNTS

21. Reserves

	Share premium account	Revaluation reserve	Other reserves	Profit and loss account
	£m	£m	£m	£m
Group				
Balance 1st January 1992	237.0	716.5	1.5	63.4
Exchange adjustment	–	49.4	–	4.8
Adjustment in respect of scrip dividends	(0.1)	–	–	1.1
Deficit arising on revaluation of properties	–	(363.6)	–	–
Revaluation of properties in associated undertaking	–	(1.2)	–	–
Minority share of deficit	–	13.4	–	–
Transfer to extraordinary items on disposal	–	(82.8)	–	–
Retained profit for the year	–	–	–	61.2
Balance 31st December 1992	236.9	331.7	1.5	130.5
Company				
Balance 1st January 1992	237.0	4.1	0.1	119.3
Deficit on revaluation of properties	–	(3.7)	–	–
Adjustment in respect of scrip dividends	(0.1)	–	–	1.1
Retained loss for the year	–	–	–	(18.2)
Balance 31st December 1992	236.9	0.4	0.1	102.2

22. Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	1992 £m	1991 £m
Net rental income	126.2	114.2
Administrative expenses	(17.6)	(15.9)
	108.6	98.3
Depreciation	0.5	0.5
Letting costs written off	2.8	2.8
(Increase)/Decrease in debtors	(2.7)	4.5
Increase in creditors	6.1	1.6
Other income	–	0.5
Net cash inflow from operating activities	115.3	108.2

(b) Analysis of changes in financing

	Share capital (including premium) £m	*Loans* £m
Balance 1st January 1992	278.6	844.9
Net cash flow	–	(14.9)
Exchange and other non-cash movements	–	103.5
Balance 31st December 1992	278.6	933.5

(c) Analysis of changes in cash and cash equivalents

	Cash and short term deposits £m	*Bank overdrafts* £m	*Total* £m
Balance 1st January 1992	28.9	(8.1)	20.8
Net cash flow	58.6	7.0	65.6
Exchange movements	3.5	(1.2)	2.3
Balance 31st December 1992	91.0	(2.3)	88.7

23. Contingent liabilities

(a) There are contingent liabilities relating to guarantees given by the parent company in respect of the performance and liabilities of certain Group companies.

(b) The guaranteed liabilities of Group companies at 31st December 1992 are included in these financial statements.

(c) As at 31st December 1992, a Group company is contingently liable for the payment of C$6.4m (1991: C$9.3m) relating to accounts and mortgages receivable assigned to a bank.

24. Principal subsidiary companies

All principal subsidiary companies are engaged in the investment in, development of, or trading in, property. Unless otherwise stated, the companies are 100% owned subsidiaries. Hammerson International Holdings Ltd and Hammerson Group Management Ltd are direct subsidiaries of the Company. Subsidiaries are incorporated/registered and operating in the following countries.

England
Hammerson U.K. Properties Ltd
Hammerson (Amethyst) Properties Ltd
Hammerson (Newchat) Properties Ltd
Hammerson Group Management Ltd
D.O.B. Estate Ltd (65.22%)
Hammerson International Holdings Ltd
Kinhigh Ltd

Canada
Hammerson Canada Inc
Hammerson Properties Inc

Australia
Hammerson Property Pty Ltd

New Zealand
Hammerson Property (N.Z.) Ltd

United States
Hammerson New York Inc
Hammerson Holdings (U.S.A.) Inc

France
Hammerson SA

Germany
Hammerson GmbH

Spain
Hammerson España SA

The Netherlands
Hammerson BV

REPORT OF THE AUDITORS

To the Members of The Hammerson

Property Investment and

Development Corporation plc

We have audited the financial statements on pages 24 to 46 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group at 31st December 1992 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Hill House

1 Little New Street

London EC4A 3TR

Touche Ross & Co.

Chartered Accountants and

Registered Auditor

20th April 1993

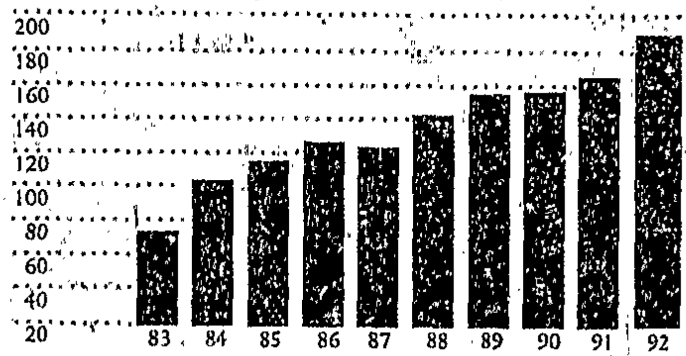
TEN-YEAR SUMMARY OF RESULTS

	1983 £m	1984 £m	1985 £m	1986 £m	1987 £m	1988 £m	1989 £m	1990 £m	1991 £m	1992 £m
Rental income *less* property outgoings	47.5	65.6	65.8	76.4	75.9	92.2	106.1	109.6	114.2	126.2
Gross profits/(losses) from property trading and trading property provisions	1.9	2.1	3.6	6.7	5.1	22.0	14.6	17.1	0.1	(13.2)
Profit on ordinary activities before taxation	26.9	33.4	40.1	49.3	54.3	75.1	75.3	70.7	55.5	31.1
Less tax on profit on ordinary activities	8.7	11.2	9.9	11.4	9.9	16.0	16.3	16.0	16.3	11.0
Profit on ordinary activities after taxation	18.2	22.2	30.2	37.9	44.4	59.1	59.0	54.7	39.2	20.1
Less minority interests	0.7	1.1	6.1	7.7	6.7	7.5	8.8	3.2	1.8	1.8
Profit attributable to shareholders before extraordinary items	17.5	21.1	24.1	30.2	37.7	51.6	50.2	51.5	37.4	18.3
Earnings per share	12.9p	14.3p	16.0p	18.8p	23.3p	31.6p	30.3p	31.0p	22.5p	11.0p
Extraordinary items	0.5	1.2	10.6	1.5	14.0	9.2	18.4	(11.4)	(96.6)	59.6
Cost of dividend	11.0	12.7	15.1	17.0	18.6	28.1	32.4	34.1	34.1	16.7
Dividend per share*	7.5p	8.5p	9.5p	10.5p	11.5p	17.0p	19.5p	20.5p	20.5p	10.0p
Total net assets attributable to shareholders	707.7	897.0	899.8	970.6	1,051.2	1,667.6	1,770.8	1,383.1	1,060.0	742.3
Net asset value per share	£5.20	£6.02	£5.59	£6.01	£6.50	£10.08	£10.68	£8.32	£6.37	£4.45

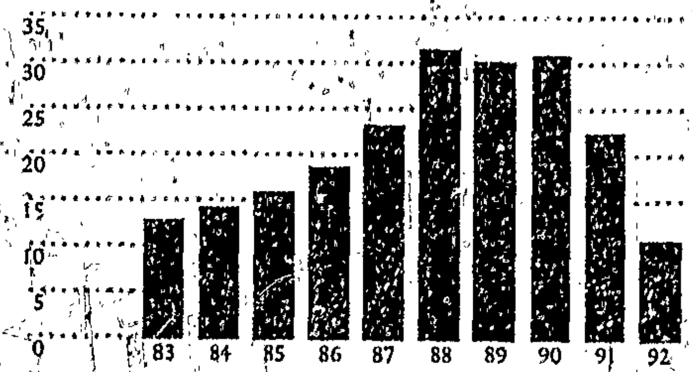
* Adjusted for capitalisation issue in 1984.

TEN-YEAR PROFILE

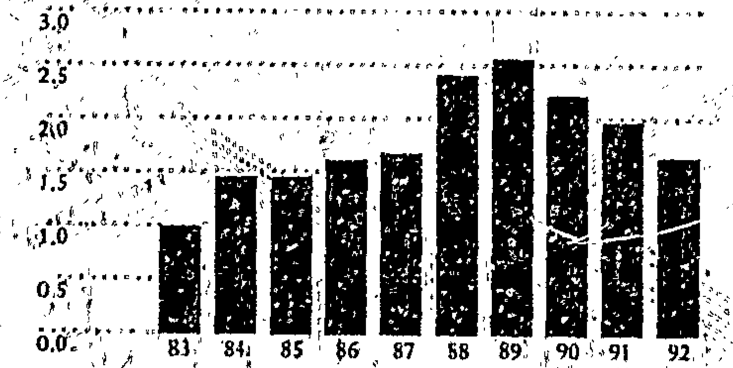
Gross rental income (£ million)



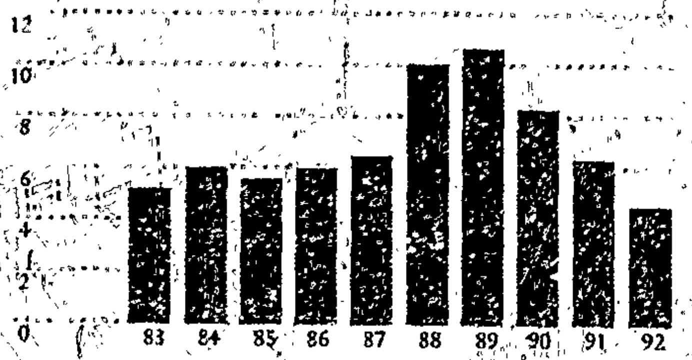
Earnings per share (pence)



Investment and trading properties (£ billion)



Net asset value per share (£)



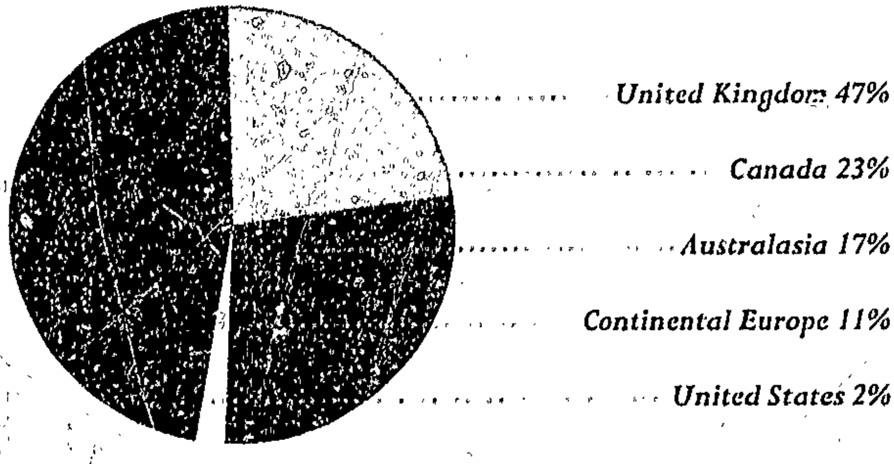
THE HAMMERSON GROUP PORTFOLIO

	1992 £m	1991 £m
Fully developed investment properties		
United Kingdom	665.7	810.7
Canada	392.2	436.5
Australasia	194.8	258.6
United States	37.1	32.6
Continental Europe	224.8	217.6
	1,514.6	1,756.0
Development properties		
United Kingdom	6.6	7.1
Canada	21.3	57.4
Australasia	14.5	10.8
United States	40.1	28.7
Continental Europe	37.8	47.5
	120.3	151.5
Trading properties		
United Kingdom	0.7	1.1
Canada	9.3	22.5
Australasia	–	2.2
Continental Europe	–	44.3
	10.0	70.1
Capital commitments		
United Kingdom	4.6	6.6
Canada	2.9	4.5
Australasia	3.5	9.4
United States	8.4	2.7
Continental Europe	4.6	8.2
	24.0	31.4

THE HAMMERSON GROUP PORTFOLIO

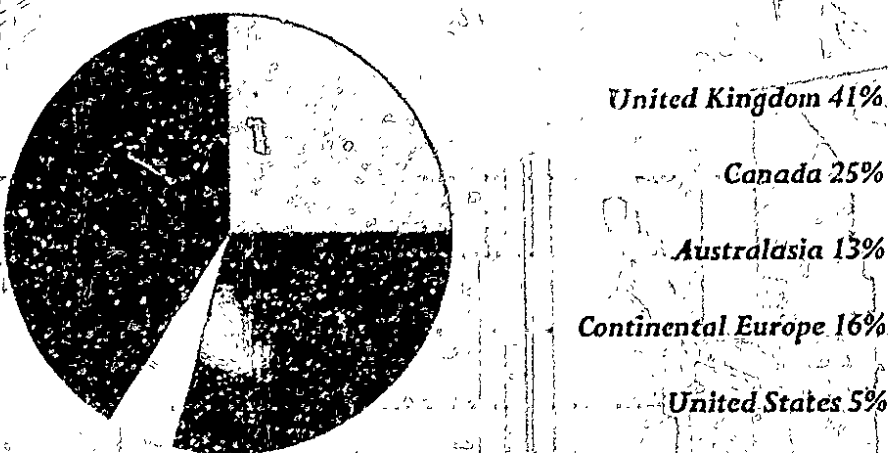
Net rental income by territory

Total £126.2 million



Geographical split of investment and trading properties including commitments

Total £1,669 million



THE UNITED KINGDOM PORTFOLIO

31st December 1992

	Approximate rentable area square feet	Tenure
Shopping centres		
Brent Cross, London NW4	790,000	Leasehold
Freshney Place, Grimsby, South Humberside	350,000	Freehold
Merseyway Centre, Stockport, Greater Manchester	345,000	Leasehold
Wulfrun Centre, Wolverhampton, West Midlands	195,000	Leasehold
Shopping centre with office space		
Liberty Shopping Centre, Romford, Essex	410,000	Leasehold
Offices		
Woolgate House, Coleman Street, London EC2	305,000	Freehold
Senator House, 85 Queen Victoria Street, London EC4	155,000	Leasehold
Marathon House, Marylebone Road, London NW1	14[illegible],000	Leasehold
Selkirk House, High Holborn, London WC1	65,000	Freehold
32 & 33 St James's Square, London SW1	50,000	Freehold
83/85 Pall Mall, London SW1	47,000	Leasehold
*48 Upper Thames Street, London EC4	–	Freehold
Offices with retail space		
Holborn Estate, London WC1	325,000	Freehold
21 Moorfields, London EC2	150,000	Leasehold
Mitre House, Cheapside, London EC2	100,000	Leasehold
Merton Centre, Bedford	93,000	Freehold
Stone House, Bishopsgate, London EC2	70,000	Freehold
**Lonsdale Chambers, Chancery Lane, London WC2	60,000	Freehold
Manor House, Church Street, Leatherhead, Surrey	30,000	Freehold
Thanet House, Strand, London WC2	26,000	Freehold
Compter House, Wood Street, London EC2	18,000	Leasehold

** Site for offices*

*** This property was sold in January 1993*

THE EUROPEAN PORTFOLIO

31st December 1992

	Approximate rentable area square feet	Tenure
France		
Offices		
Building E, Colline St Cloud, St Cloud	127,000	Freehold
46 avenue Kleber, Paris 16e	37,000	Freehold
16 place Vendôme, Paris 1e	25,000	Freehold
4 rue Beaubourg, Paris 4e	24,000	Freehold
48 rue Croix des Petits Champs, Paris 1e	19,000	Freehold
43 avenue de Friedland, Paris 8e	18,000	Freehold
43 avenue Marceau, Paris 16e	14,000	Freehold
Retail with office space		
19/23 rue St Ferreol, Marseille	85,000	Freehold
Germany		
Shopping centres		
Saar Galerie, Saarbrücken	250,000	Freehold
City Center, Essen (30%)	280,000	Freehold
Retail with office space		
47 Kettwiger Strasse, Essen	120,000	Freehold
Spain		
Offices with retail space		
16 Paseo de Gracia, Barcelona	104,000	Freehold

THE AUSTRALASIAN PORTFOLIO

31st December 1992

	Approximate rentable area square feet	Tenure
Australia		
Shopping centre		
Warringah Mall, Brookvale, Sydney, New South Wales	1,072,000	Freehold
Offices		
Communications House, William Street, Melbourne, Victoria	345,000	Freehold
500 Collins Street, Melbourne, Victoria	265,000	Freehold
1 York Street, Sydney, New South Wales	200,000	Leasehold
167 Eagle Street, Brisbane, Queensland	161,000	Freehold
145 Eagle Street, Brisbane, Queensland	124,000	Freehold
*175 Eagle Street, Brisbane, Queensland	–	Freehold
New Zealand		
Shopping centre		
South Mall, Manurewa, Auckland	148,000	Freehold

*Site for offices

THE NORTH AMERICAN PORTFOLIO

31st December 1992

	Approximate rentable area square feet	Tenure
Canada		
Shopping centre		
Square One, Mississauga, Ontario	1,356,000	Freehold
Offices		
70 University Avenue, Toronto, Ontario	235,000	Leasehold
201 City Centre Drive, Mississauga, Ontario	218,000	Freehold
33 City Centre Drive, Mississauga, Ontario	213,000	Freehold
77 City Centre Drive, Mississauga, Ontario	195,000	Freehold
55 City Centre Drive, Mississauga, Ontario	184,000	Freehold
Offices with retail space		
Bow Valley Square, Phases 1-4, Calgary, Alberta	1,463,000	Freehold
2 Bloor Street West, Toronto, Ontario	531,000	Leasehold
United States of America		
Offices with retail space		
*420 Fifth Avenue, New York, New York	590,000	Freehold
Main Place, Buffalo, New York	616,000	Freehold
Liberty Building, Buffalo, New York	329,000	Freehold

**As at 31st December 1992 the Group had sold 235,000 square feet of this area. Since 31st December 1992 a further 96,000 square feet of space has been sold.*

CORPORATE ADVISERS

Auditors
Touche Ross & Co.
Hill House, 1 Little New Street
London EC4A 3TR

Registrar and Transfer Office-United Kingdom
Barclays Registrars
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

Registrar and Transfer Office-Canada
Montreal Trust Company of Canada
Corporate Services Division
151 Front Street West
Toronto, Ontario M5J 2N1

Registrar and Transfer Office-Australia
Ernst & Young Registry Services Pty Ltd
321 Kent Street
Sydney NSW 2000

Stockbrokers-United Kingdom
de Zoete & Bevan Limited
Ebbgate House
2 Swan Lane
London EC4 3TS

Henderson Crosthwaite Corporate Finance Ltd
32 St Mary At Hill
London EC3P 3AJ

Stockbrokers-Canada
Wood Gundy Ltd
161 Bay Street
PO Box No 500
Toronto, Ontario M5J 2S8

Stockbrokers-Australia
McIntosh & Company Ltd
National Australia Bank House
255 George Street
Sydney NSW 2000

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 62nd Annual General Meeting of the Company will be held at the Company's head office, 100 Park Lane, London W1Y 4AR on Monday, 14th June 1993 at 12 noon to carry out the following business:

Ordinary business

1. To receive the report of the Directors and the accounts for the year ended 31st December 1992.

2. To declare a final dividend.

3. To re-elect Mr. H. R. Vogt as a Director of the Company.

4. To re-elect Mr. R. S. Johnson as a Director of the Company.

5. To re-elect Mr. R. J. G. Richards as a Director of the Company.

6. To re-elect Mr. G. Maitland Smith as a Director of the Company.

7. To re-elect Mr. W. H. Cairns as a Director of the Company.

8. To elect Mr. R. R. Spinney as a Director of the Company.

9. To re-appoint Touche Ross & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.

Special business

10. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'*That:*

The Directors are generally and unconditionally authorised:

(i) to exercise the power contained in Article 137A of the Articles of Association of the Company so that, to the extent determined by the Directors, the holders of Ordinary shares of 25p each and 'A' Ordinary (limited voting) shares of 25p each may be permitted to elect to receive new Ordinary shares of 25p each and new 'A' Ordinary (limited voting) shares of 25p each respectively in the

Company, credited as fully paid, instead of all or part of the final dividend for the financial year ended 31st December 1992 and any interim dividend resolved by the Directors to be paid in respect of the financial year ending 31st December 1993; and

(ii) to capitalise the appropriate nominal amount of additional Ordinary shares of 25p each and 'A' Ordinary (limited voting) shares of 25p each falling to be allotted pursuant to elections made as aforesaid, out of the amount standing to the credit of reserves (including any share premium account or capital redemption reserve), to apply such sum in paying up such Ordinary shares of 25p each and 'A' Ordinary (limited voting) shares of 25p each and to allot such shares to members of the Company validly making such elections.'

11. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That:

subject to the provisions of the Companies Act 1985 and the Articles of Association of the Company, the Directors are hereby generally and unconditionally authorised, pursuant to section 80 of the Companies Act 1985, in substitution for any previous such author ty, to allot relevant securities (as defined by the said section 80) up to a maximum aggregate nominal amount of £15,722,685 provided that this authority shall expire at the end of the next Annual General Meeting of the Company (unless previously revoked, varied or renewed by the Company in general meeting). This authority shall extend to the making, before its expiry, of an offer or agreement which would, or might, require relevant securities to be allotted after such expiry and to the subsequent allotment of such securities.'

12. To consider and, if thought fit, to pass the following resolution as a special resolution:

'That:

the Directors are empowered pursuant to section 95 of the Companies Act 1985, in substitution for any previous such power, to allot equity securities (as defined in section 94 of the said Act) for cash pursuant to the general autho.ity conferred by resolution 11 set out in the Notice of Meeting of the Company dated 7th May 1993 as though section 89(1) of the said Act did not apply to any such allotment, provided that this power shall expire at the end of the next Annual General Meeting of the Company (unless previously renewed, extended or revoked by the Company in general meeting) or 15 months from the passing of this resolution but shall extend to the making, at any time prior to the expiry of the power, of any offer or agreement which would or might require equity securities to be allotted after its expiry and to the subsequent allotment of such securities and provided further that this power shall be limited:

(i) to the allotment of equity securities in connection with a rights issue in favour of the holders of the Ordinary shares of 25p each and 'A' Ordinary (limited voting) shares of 25p each where the equity securities respectively attributable to the interests of the Ordinary and 'A' Ordinary (limited voting) shareholders are proportionate (as nearly as may be) to the respective numbers of such shares held or deemed to be held by them, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange, or any other matters; and

(ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities which are to be wholly paid up in cash up to an aggregate nominal amount of £2,085,292.'

13. To consider and, if thought fit, to pass the following resolution as a special resolution:

'That:

in substitution for any existing such authority, the Company is generally and unconditionally authorised to make market purchases (as defined by section 163 of the Companies Act 1985) up to an aggregate of 8,341,170 Ordinary shares of 25p each and 'A' Ordinary (limited voting) shares of 25p each and in the case of each such share for a price not less than 25p and not more than 5 per cent above the average of the middle market quotation for the class of share to be purchased taken from the Daily Official List of the London Stock Exchange for the 10 business days before the date of purchase. This authority shall expire at the end of the next Annual General Meeting of the Company or on 13th December 1994, whichever is the earlier date ('Expiry Date') unless it is revoked, varied or renewed prior to such date, save that this authority shall include any purchase of Ordinary shares of 25p each or

NOTICE OF MEETING

'A' Ordinary (limited voting) shares of 25p each made pursuant to a contract entered into before the Expiry Date, notwithstanding that it would, or might, be completed wholly or partly after that date.'

Registered office
100 Park Lane
London W1Y 4AR

By Order of the Board
R. S. Johnson
Secretary
7th May 1993

Notes

1. 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 be a member of the Company. Any form of proxy must be deposited with the Company's Registrars at the address shown on the form of proxy not later than 48 hours before the time fixed for the meeting. Completion of a form of proxy will not preclude a member attending and voting in person at the meeting.

2. There will be available for inspection at the Company's registered office during usual business hours each week on Mondays to Fridays (excluding public holidays) from the date of this notice up to the date of the meeting and at the meeting itself from 11.45 a.m. until its conclusion:

   (i) the Register of Directors' Interests (and of their families' interests) in the Ordinary shares of 25p each and 'A' Ordinary (limited voting) shares of 25p each of the Company; and

   (ii) copies of all service contracts relating to Directors of the Company.

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