

Company Number 666151

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2012



HAMMERSON INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2012

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

1 PRINCIPAL ACTIVITIES

The principal activity of the Company is investment in property-owning and group financing subsidiaries. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

2 RESULTS AND DIVIDENDS

The loss for the year after tax was £27,158,000 (2011 £22,307,000). The Directors do not recommend the payment of a dividend for the year (2011 £nil).

3 BUSINESS REVIEW AND FUTURE PROSPECTS

It is expected that the Company will continue to invest in property-owning and group financing subsidiaries for the foreseeable future.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net current liability position of the balance sheet as at 31 December 2012 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

4 DIRECTORS

- a) Mr D J Atkins, Mr P W B Cole and Mr N T Drakesmith were Directors of the Company throughout the year.
- b) Mr M Plocica was appointed as a Director of the Company on 23 October 2012.
- c) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- d) No Director has any interests in contracts entered into by the Company.

5 SECRETARY

- a) Hammerson Company Secretarial Limited acted as Secretary of the Company throughout the year.

6 INDEMNITY

The Company's ultimate parent company, Hammerson plc, has made qualifying third party indemnity provisions for the benefit of the Company's Directors which were in place throughout the year and which remain in place at the date of this report.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2012

7 AUDITOR

Deloitte LLP shall be deemed to be re-appointed as auditor for a further term under the provisions of section 487(2) of the Companies Act 2006

Deloitte LLP have indicated their willingness to continue in office

8 PROVISION OF INFORMATION TO THE AUDITOR

Each of the persons who is a Director of the Company at the date of approval of this report has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006

By order of the Board



B Lees
For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date 26/8/2013

Registered Office
10 Grosvenor Street
London W1K 4BJ
Registered in England and Wales No 666151

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements of Hammerson International Holdings Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholder's funds and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's sole member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member 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 sole member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON INTERNATIONAL HOLDINGS LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report

Ian Waller

Ian Waller (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date *23 September 2013*

HAMMERSON INTERNATIONAL HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2012**

	Notes	2012 £'000	2011 £'000
Administration expenses	2	-	32
Operating profit		<u>-</u>	<u>32</u>
Dividends receivable from group undertakings	1(h)	3	4
Profit on sale of fixed asset investments	3A	54	-
Profit on ordinary activities before net finance costs		<u>57</u>	<u>36</u>
Net finance costs	4	<u>(27,215)</u>	<u>(22,343)</u>
Loss on ordinary activities before and after taxation for the financial year	10	<u>(27,158)</u>	<u>(22,307)</u>

All amounts relate to continuing activities

HAMMERSON INTERNATIONAL HOLDINGS LIMITED


BALANCE SHEET

As at 31 December 2012

	Notes	2012 £'000	2011 £'000
Tangible fixed assets			
Investments	6	<u>2,154,146</u>	<u>1,910,115</u>
Current assets			
Debtors	7	54	1
Current liabilities			
Creditors amounts falling due within one year	8	<u>(581,732)</u>	<u>(554,521)</u>
Net current liabilities		<u>(581,678)</u>	<u>(554,520)</u>
Net assets		<u>1,572,468</u>	<u>1,355,595</u>
Capital and reserves			
Called up share capital	9	491,390	491,390
Other reserves	10	(20,829)	(20,829)
Revaluation reserve	10	1,144,428	897,330
Profit and loss account	10	<u>(42,521)</u>	<u>(12,296)</u>
Shareholder's funds		<u>1,572,468</u>	<u>1,355,595</u>

These financial statements were approved by the Board of Directors on 26/8/13 and authorised for issue on 26/8/13

Signed on behalf of the Board of Directors


N T DRAKESMITH
Director
Company Number: 666151

HAMMERSON INTERNATIONAL HOLDINGS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**For the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Loss for the financial year		(27,158)	(22,307)
Exchange translation loss	10	(2,023)	(1,780)
Unrealised surplus on revaluation of investments	10	<u>246,054</u>	<u>239,742</u>
Total recognised gains and losses for the year		<u>216,873</u>	<u>215,655</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDSFor the year ended 31 December 2012

	2012 £'000	2011 £'000
Loss for the financial year	(27,158)	(22,307)
Exchange translation loss	(2,023)	(1,780)
Unrealised surplus on revaluation of investments	<u>246,054</u>	<u>239,742</u>
Net increase in shareholder's funds	216,873	215,655
Shareholder's funds at 1 January	<u>1,355,595</u>	<u>1,139,940</u>
Shareholder's funds at 31 December	<u>1,572,468</u>	<u>1,355,595</u>

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current and preceding year

(a) Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of shares in group companies, in accordance with all applicable United Kingdom accounting standards

(b) Going concern

The current economic conditions have created a number of uncertainties which are likely to affect the Company's future performance. The key risk, which is closely monitored by the Directors, relate to property valuations in group undertakings which has an impact on the carrying value of shares in such undertakings. The financial position of the Company is as set out in the Balance Sheet

The Company has net current liabilities as at 31 December 2012 and is reliant on the support of its ultimate parent company, Hammerson plc, to be able to meet its liabilities as they fall due. The Directors consider that the Company is an integral part of Hammerson plc's structure and strategy and this is evidenced by a letter of support from Hammerson plc, which states its intent to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

(c) Cash flow statement

As the Company is a wholly owned subsidiary it has taken exemption under the terms of Financial Reporting Standard 1 (revised 1996) from preparing a cash flow statement, as it is included in the consolidated financial statements of Hammerson plc, which are publicly available

(d) Basis of consolidation

The Company is exempt from the requirement to prepare group accounts under Section 400 of the Companies Act 2006, as it is a wholly owned subsidiary of Hammerson plc. The Company's results are included in the group accounts of Hammerson plc, a company registered in England and Wales

(e) Fixed assets investments

Shares in group companies are stated at valuations determined annually by the Directors, having regard to the underlying value of the net assets of those subsidiaries. Provisions for impairment below cost are taken to the income statement. Surpluses arising on valuations above cost, and non-permanent deficits arising on valuations below cost, are included in the revaluation reserve

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

(f) Foreign currencies

Investments in shares of overseas subsidiary companies, which are stated at valuation, and all other foreign currency balances have been translated at the rates ruling at the year end. The principal relevant rates used for currency translations are as follows:

		2012	2011
Euro	£1 = EUR	1.233	1.197

Differences arising from the translation of investment in overseas subsidiaries have been dealt with through reserves. Differences arising on the translation of 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.

(g) Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable at the balance sheet date, together with any adjustment in respect of previous years.

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

(h) Dividend income

Dividends receivable from investments in subsidiaries are recognised when the shareholders' right to receive payment has been established.

2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding Directors, was nil (2011 nil).

The Directors did not receive any remuneration for services to the Company in either the current or preceding financial year.

Another group company has paid the auditor's fees for the audit of the Company's annual accounts in both the current and preceding financial year. Fees for the audit of the Company were £7,000 (2011 £7,000).

3A. PROFIT ON SALE OF INVESTMENT IN UNIT TRUST

	2012 £'000	2011 £'000
Proceeds on sale of investment in Unit Trust	54	-
Historic cost of investment	(50)	-
Release of prior years revaluation losses	50	-
Profit on sale of investment in Unit Trust	54	-

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

3B. STRIKE OFF OF SUBSIDIARY

	2012 £'000	2011 £'000
Historic cost of subsidiary struck off	(67,549)	-
Release of impairment	66,549	-
Release of prior years revaluation losses	1,000	-
	<u>-</u>	<u>-</u>

4. NET FINANCE COSTS

	2012 £'000	2011 £'000
Interest payable to ultimate parent company	<u>(27,215)</u>	<u>(22,343)</u>

5. TAXATION

(a) <u>Tax charge</u>	2012 £'000	2011 £'000
Tax charge on loss on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting current tax charge

The corporation tax charge for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	<u>(27,158)</u>	<u>(22,307)</u>
Loss at UK corporation tax rate of 24.5% (2011: 26.5%)	(6,654)	(5,911)
Effects of		
Dividend income not taxable	(1)	(1)
Profit on sale of fixed asset investments not taxable	(13)	-
Group relief surrendered	<u>6,668</u>	<u>5,912</u>
Total current tax	<u>-</u>	<u>-</u>

(c) Deferred tax

At 31 December 2012 the Company had approximately £28,800,000 (2011: £28,800,000) of tax losses available for carry-forward against future taxable profits. No deferred tax has been recognised in relation to these losses, reflecting uncertainty over the availability of future suitable profits against which these losses can be utilised.

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings at valuation £'000
At 1 January 2012	1,910,115
Exchange translation loss on revaluation surplus	(6)
Exchange translation loss on cost of investments	(2,017)
Revaluation surplus in the year	246,054
At 31 December 2012	2,154,146

Investments in subsidiaries are stated at valuations determined annually by the Directors based on the underlying value of the net assets of those subsidiaries. In the opinion of the Directors, the aggregate value at 31 December 2012 of shares in subsidiary undertakings is not less than the aggregate at which they are stated in the financial statements.

During the year, the Company sold its investment in the Gresham Street Unit Trust. Furthermore, one of the Company's subsidiaries, Hammerson Investments (No 22) Limited was struck off. See notes 3A and 3B.

At 31 December 2012, the historical cost of investments in group undertakings was £1,009,718,000 (2011: £1,079,333,000). At 31 December 2012 there was no provision for impairment (2011: £66,548,000).

The Company's principal subsidiary companies at 31 December 2012, which are wholly owned and engaged directly, or indirectly through their subsidiaries, in property ownership (investment, development or trading) or group financing activities, are:

	Country of registration	Class of share held
Hammerson UK Properties plc	England & Wales	Ordinary
Hammerson Europe BV	Netherlands	Ordinary
Hammerson LLC	United States*	Ordinary

* Country of operation is Great Britain

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2012

7. DEBTORS

	2012 £'000	2011 £'000
Amounts owed by subsidiary undertakings	<u>54</u>	<u>1</u>

All amounts shown under debtors fall due for payment within one year. Amounts due from subsidiary undertakings are non-interest bearing.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to parent company	<u>581,732</u>	<u>554,521</u>

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

9. SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid.		
491,389,999 ordinary shares of £1 each	<u>491,390</u>	<u>491,390</u>

10. RESERVES

	Other reserves £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2012	(20,829)	897,330	(12,296)
Exchange loss on investments in subsidiaries (note 6)	-	(6)	(2,017)
Revaluation surplus on investments in subsidiaries (note 6)	-	246,054	-
Transfer on sale of investment in Unit Trust (note 3A)	-	50	(50)
Transfer on strike off of subsidiary (note 3B)	-	1,000	(1,000)
Loss for the financial year	<u>-</u>	<u>-</u>	<u>(27,158)</u>
At 31 December 2012	<u>(20,829)</u>	<u>1,144,428</u>	<u>(42,521)</u>

HAMMERSON INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2012**

11. RELATED PARTY DISCLOSURE

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

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2012, the Company's immediate and ultimate parent company was Hammerson plc, which is registered in England and Wales and is the largest and smallest group to consolidate these financial statements.

The consolidated financial statements of Hammerson plc, are available from that company's registered office, 10 Grosvenor Street, London W1K 4BJ.