

Company Number 2025411

**SPITALFIELDS DEVELOPMENTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2012

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## **SPITALFIELDS DEVELOPMENTS 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 property development in the United Kingdom. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

#### **2 RESULTS AND DIVIDENDS**

The Company made neither a profit nor a loss after tax during the year (2011: £nil). 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 hold its properties for trading purposes. Consideration will be given to settling the group balances during the course of 2013.

The Directors have considered the use of the going concern basis in the preparation of the financial statements 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 A J Berger-North, Mr P W B Cole and Mr A J G Thomson were Directors of the Company throughout the year.
- b) Mr L F Hutchings resigned as a Director of the Company on 28 September 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**

Hammerson Company Secretarial Limited was 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.

**SPITALFIELDS DEVELOPMENTS 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     07 AUG 2013

Registered Office  
10 Grosvenor Street  
London, W1K 4BJ  
Registered in England and Wales No 2025411

## **SPITALFIELDS DEVELOPMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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.

## **SPITALFIELDS DEVELOPMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF SPITALFIELDS DEVELOPMENTS LIMITED**

We have audited the financial statements of Spitalfields Developments Limited, for the year ended 31 December 2012, which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 result 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.

#### **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.

**SPITALFIELDS DEVELOPMENTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF SPITALFIELDS DEVELOPMENTS LIMITED (CONTINUED)**

**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 *21 August 2012*

## SPITALFIELDS DEVELOPMENTS LIMITED

### PROFIT AND LOSS ACCOUNT

Year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Turnover	2	-	-
Cost of sales		<u>-</u>	<u>-</u>
Gross profit, operating profit and profit on ordinary activities before taxation		-	-
Taxation	4	<u>-</u>	<u>-</u>
Result for the financial year		<u>-</u>	<u>-</u>

All amounts relate to continuing activities

There are no other recognised gains and losses in the current or preceding years and therefore no separate statement of total recognised gains and losses has been presented

There have been no movements in shareholder's funds during the current and preceding years other than the above result for that year. Therefore no separate statement of movement in shareholder's funds has been presented


**SPITALFIELDS DEVELOPMENTS LIMITED**

**BALANCE SHEET**  
**At 31 December 2012**

	Notes	2012		2011	
		£'000	£'000	£'000	£'000
<b>Tangible fixed assets</b>					
Investments	5		-		-
<b>Current assets</b>					
Development work in progress	6	8,200		8,200	
Debtors	7	<u>87,845</u>		<u>85,591</u>	
<b>Total current assets</b>		<b>96,045</b>		<b>93,791</b>	
<b>Current liabilities</b>					
Creditors amounts falling due within one year	8	<u>(60,032)</u>		<u>(57,778)</u>	
<b>Total assets less current liabilities</b>			<b>36,013</b>		<b>36,013</b>
Creditors amounts falling due after one year	9		<u>(31,463)</u>		<u>(31,463)</u>
<b>Net assets</b>			<u><b>4,550</b></u>		<u><b>4,550</b></u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Profit and loss account	11		<u>4,550</u>		<u>4,550</u>
<b>Shareholder's funds</b>			<u><b>4,550</b></u>		<u><b>4,550</b></u>

These financial statements were approved by the Board of Directors on 07 AUG 2013 and authorised for issue on 07 AUG 2013

Signed on behalf of the Board of Directors

  
A.J. Berger-North  
Director  
Company Number: 2025411



## SPITALFIELDS DEVELOPMENTS 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 have been prepared under the historical cost convention, in accordance with applicable law and 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 risks relate to tenant default and property valuations which are closely monitored by the Directors. The financial position of the Company is as set out in the Balance Sheet

The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. 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) Consolidation

The Company is exempt under s400 of the Companies Act 2006 from the requirement to prepare group accounts as it is a wholly owned subsidiary of Hammerson plc, a company incorporated in Great Britain, and as such these financial statements present information about the Company and not its group

(d) 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 its cash flows are included in the consolidated financial statements of Hammerson plc, which are publicly available

(e) Turnover

Turnover represents the value of construction services provided, and sale proceeds of any properties sold in the year

(f) Fixed asset investments

Fixed asset investments are stated at the balance sheet date at the lower of cost and net realisable value. Investments in the Company's subsidiaries are stated at cost less provision for impairment

## **SPITALFIELDS DEVELOPMENTS LIMITED**

### **NOTES TO THE ACCOUNTS**

Year ended 31 December 2012

#### **1. ACCOUNTING POLICIES (continued)**

##### **(g) Development work in progress**

Development work in progress is stated at cost. All property costs for ongoing development have been transferred to the profit and loss account. All other property costs, including interest payable less interest receivable have been capitalised. As explained in note 2 below, the Company is indemnified against any liability for losses arising on the sale of a development. On the sale of a development, the proceeds are credited to development work in progress, and apportioned over cost of sites acquired, interest charges capitalised, and other costs.

##### **(h) 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.

#### **2. TURNOVER**

The Company operates only one class of business, which is wholly within the United Kingdom. The Company has a contract with Spitalfields Development Group ("SDG") under the terms of which the Company is indemnified against any liability for losses arising on the sale of the development. The contract entitles the Company to retain 0.75% of turnover. SDG is a partnership in which the sole partners are fellow subsidiaries of the ultimate parent company, Hammerson plc. The accounts recognise the amounts to be settled with SDG under these arrangements.

#### **3. ADMINISTRATIVE 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 £1,500 (2011: £1,500).

# SPITALFIELDS DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2012

### 4. TAXATION

#### (a) Tax charge

	2012 £'000	2011 £'000
Tax charge on result on ordinary activities	-	-

#### (b) Factors affecting current tax charge

The tax assessed on the result for the year is different from the standard rate of corporation tax of 24.5% (2011: 26.5%). The differences are reconciled below:

	2012 £'000	2011 £'000
Result on ordinary activities before tax	-	-
Result at UK corporation tax rate of 24.5% (2011: 26.5%)	-	-
Deemed interest payable on loan from Spitalfields Holdings Ltd	(177)	(192)
Group relief	177	192
Current tax charge	-	-

### 5. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000
<b>Cost</b>	
At 1 January 2012	164
Disposal of shares intra-group	(164)
At 31 December 2012	-
<b>Provision for impairment</b>	
At 1 January 2012	(164)
Provision released on disposal of shares	164
At 31 December 2012	-
<b>Net book value</b>	
At 1 January and 31 December 2012	-

The Company transferred its interest in Hammerson Investments (No 35) Limited (formerly Spitalfields Space Management Limited) to another group company.

# SPITALFIELDS DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2012

### 6 DEVELOPMENT WORK IN PROGRESS

	2012 £'000
Development work in progress at 1 January	8,200
Movement in the year	-
Development work in progress at 31 December	<u>8,200</u>

### 7 DEBTORS

	2012 £'000	2011 £'000
Trade debtors	263	192
Amounts owed by ultimate parent company	87,492	85,329
Other debtors	90	70
	<u>87,845</u>	<u>85,591</u>

All amounts shown under debtors fall due for payment within one year. Amounts owed by the ultimate parent company bear interest at variable rates based on LIBOR.

### 8 CREDITORS: FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade creditors	83	83
Accruals	216	193
Amounts owed to Spitalfields Development Group	59,455	57,033
Amounts owed to Hammerson Investments (No 35) Ltd	104	104
Amounts owed to Hammerson UK Properties plc	-	2
Amounts owed to Hammerson Group Management Limited	13	32
Amounts owed to RT Group Developments Limited	2	5
Other creditors	159	326
	<u>60,032</u>	<u>57,778</u>

Amounts owed to fellow subsidiary undertakings are repayable on demand and are non-interest bearing.

# SPITALFIELDS DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2012

### 9. CREDITORS: FALLING DUE AFTER ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to immediate parent company	<u>31,463</u>	<u>31,463</u>

The amounts owed to the immediate parent company represent a loan made to fund the developments. The loan is interest-bearing at variable rates based on LIBOR. The immediate parent company has agreed that the rate of interest is nil throughout the current and preceding financial years.

### 10. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid: 300 ordinary shares of £1 each	<u>300</u>	<u>300</u>

### 11. PROFIT AND LOSS ACCOUNT

	£'000
At 1 January and 31 December 2012	<u>4,550</u>

### 12. ADVANCES, CREDIT AND GUARANTEES

The Company did not grant any credits, advances or guarantees of any kind to its Directors during the year.

### 13. 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.

### 14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2012, the Company's 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. At 31 December 2012, the Company's immediate parent company was Spitalfields Holdings Limited.

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