Company Number: 3768306

HAMMERSON BIRMINGHAM PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2014

MONDAY

A4FXSVVT

A22 14/09/2015 #94

COMPANIES HOUSE

HAMMERSON BIRMINGHAM PROPERTIES LIMITED

REPORT OF THE DIRECTORS
Year ended 31 December 2014

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and consequently no strategic report has been prepared.

1. PRINCIPAL ACTIVITIES

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

2. RESULTS AND DIVIDENDS

The profit for the year after tax was £65,000 (2013: £51,000). The Directors do not recommend the payment of a dividend for the year (2013: £nil).

3. BUSINESS REVIEW AND FUTURE PROSPECTS

The Company holds a one third share in Martineau Galleries (GP) Limited and Bull Ring (GP) Limited, which are the General Partners of The Martineau Galleries Limited Partnership and The Bull Ring Limited Partnership respectively. The principal businesses of these partnerships are to develop and hold for investment Martineau Galleries Shopping Centre and the Bullring Shopping Centre in Birmingham respectively. In addition, the Company holds a one third share in Martineau (GP) Limited, which manages the recovery of assets and the discharge of liabilities following the sale in 2004 of Martineau Place Shopping Centre, which was previously held as an investment property. The Directors do not anticipate any significant change in the principal activity in the foreseeable future. On 20 May 2013, a Limited Partner served Termination Notice pursuant to clause 31.2.1 of the Partnership Deed with the intention to dissolve the Limited Partnership in 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 on the balance sheet as at 31 December 2014 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. M. Plocica were Directors of the Company throughout the year.

b) Mr. A.J.G. Thomson resigned as a Director of the Company on 19 March 2014.

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.

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

Barbara Lees

B. Lees
For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date: 9 September 2015

Registered Office:
Kings Place, 90 York Way
London, United Kingdom N1 9GE
Registered in England and Wales No. 03768306

HAMMERSON BIRMINGHAM PROPERTIES 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.

HAMMERSON BIRMINGHAM PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON BIRMINGHAM PROPERTIES LIMITED

We have audited the financial statements of Hammerson Birmingham Properties Limited for the year ended 31 December 2014, 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 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 sole 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 auditors

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its profit 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.

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON BIRMINGHAM PROPERTIES 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 or a Strategic Report.

Ian Waller (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date: 10 September 2015

HAMMERSON BIRMINGHAM PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Gross rental income		**92**	93
Rents payable and other property outgoings		**(13)**	(23)
Net rental income		**79**	70
Administration expenses	2	**1**	(3)
Operating profit		**80**	67
Net finance income	3	**-**	-
Profit on ordinary activities before taxation		**80**	67
Taxation	4	**(15)**	(16)
Profit for the financial year	11	**65**	51

All amounts relate to continuing activities.

HAMMERSON BIRMINGHAM PROPERTIES LIMITED

BALANCE SHEET
As at 31 December 2014

	Notes	2014		2013	
		£'000	£'000	£'000	£'000
Tangible fixed assets					
Investment properties	5		**1,704**		1,508
Current assets					
Investments	6	**2**		2	
Debtors	7	**144**		200	
Cash and deposits		**65**		62	
Total current assets		**211**		264	
Current liabilities					
Creditors: amounts falling due within one year	8	**(598)**		(496)	
Net current liabilities			**(387)**		(232)
Total assets less current liabilities			**1,317**		1,276
Provisions for liabilities & charges					
Deferred tax	9		**(22)**		(22)
Net assets			**1,295**		1,254
Capital and reserves					
Called up share capital	10		**-**		-
Revaluation reserve	11		**729**		680
Profit and loss account	11		**566**		574
Shareholder's funds			**1,295**		1,254

These financial statements were approved by the Board of Directors on 9 September 2015 and authorised for issue on 9 September 2015.

Signed on behalf of the Board of Directors

A J Berger-North
Director
Company Number: 3768306

HAMMERSON BIRMINGHAM PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 December 2014

	2014 £'000	2013 £'000
Profit for the financial year	**65**	51
Unrealised surplus on revaluation of properties	**49**	42
Total recognised gains and losses for the year	**114**	93

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2014

	2014 £'000	2013 £'000
Profit for the financial year	**65**	51
Prior year elimination adjustment	**-**	79
Distributions to General Partner	**(73)**	-
Unrealised surplus on revaluation of properties	**49**	42
Net increase in shareholder's funds	**41**	172
Shareholder's funds at 1 January 2014	**1,254**	1,082
Shareholder's funds at 31 December 2014	**1,295**	1,254

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 as modified by the revaluation of investment properties and other fixed asset investments in accordance with all applicable law and United Kingdom accounting standards, with the exception of the depreciation of investment properties as explained below.

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 Company has net current liabilities as at 31 December 2014 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 and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the 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 its cash flows are included in the consolidated financial statements of Hammerson plc, which are publicly available.

d) Joint arrangements

The financial statements include the financial statements of the Company together with the Company's share of results, assets, liabilities and cash flows arising from its interest in Martineau (GP) Limited, Martineau Galleries (GP) Limited and Bull Ring (GP) Limited, which are accounted for as joint arrangements and measured according to the terms of those arrangements. These companies are the General Partners of The Martineau Limited Partnership, The Martineau Galleries Limited Partnership and The Bull Ring Limited Partnership respectively and have an interest of 0.46% in the profits, assets, liabilities and cash flows of these entities. The Company is exempt from the requirement to prepare group accounts, 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.

1. ACCOUNTING POLICIES (continued)

e) Net rental income

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

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

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

f) 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.

g) Profits on sale of properties

Profits on sale of properties are taken into account on completion of contract, and are calculated by reference to the carrying value at the end of the previous year, adjusted for subsequent capital expenditure.

h) Investment properties

Investment properties are stated at fair value, being market value determined by professionally qualified external valuers, and changes in fair value are taken to the revaluation reserve.

All costs directly associated with the purchase and construction of a development property are capitalised.

1. ACCOUNTING POLICIES (continued)

i) Depreciation

In accordance with Statement of Standard Accounting Practice No 19, no depreciation is provided in respect of freehold properties or leasehold properties with over twenty years to expiry. This is a departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated. Such properties are not held for consumption, but for investment, and the Directors consider that to depreciate them would not give a true and fair view. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation, which might otherwise have been charged, cannot be separately identified or quantified. The Directors consider that this policy results in the accounts giving a true and fair view.

j) Current asset investments

Investments are held at cost less provision for impairment.

2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding directors, was nil (2013: 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 £2,700 (2013: £2,700).

3. NET FINANCE INCOME

	2014	2013
	£'000	£'000
Bank interest receivable	**-**	-

4. TAXATION

a) Tax charge on profit on ordinary activities

	2014 £'000	2013 £'000
Current year corporation tax	**15**	16
Deferred tax charge	**-**	-
Tax charge on profit on ordinary activities	**15**	16

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are reconciled below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	**80**	67
Profit multiplied by UK corporation tax rate of 21.5% (2013: 23.25%)	**17**	16
Effects of:		
Capital allowances	**-**	-
Adjustment in relation to prior years	**(2)**	-
Current tax charge for the year	**15**	16

The above profits represent the Company's one-third shareholding in the companies that act as General Partner of the partnerships forming the Birmingham Alliance. For tax purposes these profits are taxable in the General Partner companies and not in Hammerson Birmingham Properties Limited.

5. INVESTMENT PROPERTIES

(a) The movements in the year on properties were:

	Long leasehold £'000
At 1 January 2014	1,508
Surplus arising on revaluation	196
At 31 December 2014	**1,704**

(b) Properties are stated at market value at 31 December 2014, valued by professionally qualified external valuers, DTZ Debenham Tie Leung, Chartered Surveyors. The valuations have been prepared in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors (the Standards) and with IVA 1 of the International Valuation Standards. The surplus arising on revaluation has been transferred to the revaluation reserve.

(c) The historical cost of investment property at 31 December 2014 was £828,000 (2013: £828,000).

(d) Should the properties be disposed of at the valuation above, the Company's share of the tax liabilities arising to the General Partner companies is anticipated not to exceed £195,000 (2013: £21,000).

6. INVESTMENTS

	2014 £'000	2013 £'000
Current asset investments		
Shares in companies listed on recognised Stock Exchanges in the United Kingdom	**2**	2
Market value of listed investments at 31 December	**2**	2

The historic cost of shares held is £5,000.

The Company owns 33.33% of the issued ordinary share capital of Martineau Galleries (GP) Limited, a company registered in England and Wales with the same registered office as the Company.

Martineau Galleries (GP) Limited owns 100% of the ordinary share capital of Martineau Galleries No.1 Limited and Martineau Galleries No.2 Limited, both companies are registered in England and Wales with the same registered office as the Company.

7. DEBTORS

	2014 £'000	2013 £'000
Trade debtors	7	9
Amounts owed by The Martineau Galleries LP	123	123
Other debtors and prepayments	11	68
	141	200

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

8. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed to ultimate parent company	14	14
Corporation tax	13	13
Other creditors	554	465
Accruals and deferred income	17	19
	598	496

9. PROVISIONS FOR LIABILITIES AND CHARGES

	2014 £'000	2013 £'000
Deferred tax:		
At 1 January 2014	22	22
Charge for the year	-	-
At 31 December 2014	22	22

The deferred tax provision is made up as follows:

Accelerated capital allowances	22	22

10. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2

11. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2014	680	574
Surplus on revaluation of properties	49	-
Distributions to General Partners	-	(73)
Profit for the financial year	-	65
At 31 December 2014	**729**	**566**

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 2014, 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 2014, the Company's immediate parent company was Hammerson UK Properties plc.

The consolidated financial statements of the ultimate parent company, Hammerson plc, are available from that company's registered office, Kings Place, 90 York Way London N1 9GE.