

Company Number: 4104262

**HAMMERSON (BICESTER NO. 2) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2014

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## **HAMMERSON (BICESTER NO. 2) 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.

#### **1. PRINCIPAL ACTIVITIES**

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

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

The profit for the year after tax was £1,481,000 (2013: £11,752,000). The Directors do not recommend the payment of a dividend for the year (2013: nil).

#### **3. 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.

#### **4. SECRETARY**

Hammerson Company Secretarial Limited was Secretary of the Company throughout the year.

#### **5. 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.

#### **6. AUDITOR**

BDO 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.

BDO LLP have indicated their willingness to continue in office.

**HAMMERSON (BICESTER NO. 2) LIMITED**

**REPORT OF THE DIRECTORS**  
**Year ended 31 December 2014**

**7. 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: 11 September 2015

Registered Office:  
Kings Place  
90 York Way London N1 9GE  
Registered in England and Wales No. 4104262

## **HAMMERSON (BICESTER NO. 2) LIMITED**

### **STRATEGIC REPORT**

Year ended 31 December 2014

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

### **BUSINESS REVIEW AND FUTURE PROSPECTS**

In May 2014, the Company disposed of its entire investment in Value Retail Investors Limited Partnership II, which has an interest in an investment property in Bicester, United Kingdom, to another group company. It is the Directors' intention for the Company to remain active for the foreseeable future.

The Directors have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2014 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

Signed on behalf of the Board of Directors

A handwritten signature in black ink, appearing to be 'A.J. Berger-North', written over a horizontal line.

**A.J. Berger-North**  
**Director**

Date: 11 September 2015

## **HAMMERSON (BICESTER NO. 2) 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 (BICESTER NO. 2) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (BICESTER NO. 2) LIMITED**

We have audited the financial statements of Hammerson (Bicester No. 2) 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 note of historical cost profits 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


**HAMMERSON (BICESTER NO. 2) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (BICESTER NO. 2) 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 and Strategic Report.

  
Russell Field (Senior Statutory Auditor)  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick, United Kingdom  
Date: 11 September 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# **HAMMERSON (BICESTER NO. 2) LIMITED**

## **PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2014

	<b>Notes</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Distribution from fixed asset investments		<b>1,081</b>	11,458
Profit on sale of other fixed asset investments	3	-	-
Net finance income	4	<u><b>400</b></u>	<u>294</u>
Profit on ordinary activities before and after taxation for the financial year	9	<u><b>1,481</b></u>	<u>11,752</u>

All amounts relate to continuing activities.



**HAMMERSON (BICESTER NO. 2) LIMITED****BALANCE SHEET****As at 31 December 2014**

	Notes	2014		2013	
		£'000	£'000	£'000	£'000
<b>Tangible fixed assets</b>					
Investments	6		-		44,413
<b>Current assets</b>					
Debtors	7	<u>65,502</u>		<u>19,608</u>	
<b>Net current assets</b>			<u>65,502</u>		<u>19,608</u>
<b>Net assets</b>			<u>65,502</u>		<u>64,021</u>
<b>Capital and reserves</b>					
Called up share capital	8		-		-
Revaluation reserve	9		-		41,747
Profit and loss account	9		<u>65,502</u>		<u>22,274</u>
<b>Shareholder's funds</b>			<u>65,502</u>		<u>64,021</u>

The financial statements were approved by the Board of Directors on 11 September 2015 and authorised for issue on 11 September 2015.

Signed on behalf of the Board of Directors



A.J. Berger-North

**Director**

**Company Number: 4104262**

**HAMMERSON (BICESTER NO. 2) LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 December 2014**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Profit for the financial year	<b>1,481</b>	11,752
Unrealised surplus on revaluation of investments	<u>-</u>	<u>4,582</u>
Total recognised gains and losses for the year	<u><b>1,481</b></u>	<u>16,334</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**For the year ended 31 December 2014**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Profit for the financial year	<b>1,481</b>	11,752
Realisation of investments revaluation gains of previous years	<u><b>41,747</b></u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u><b>43,228</b></u>	<u>11,752</u>
Historical cost profit for the financial year after taxation	<u><b>43,228</b></u>	<u>11,752</u>

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

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Profit for the financial year	<b>1,481</b>	11,752
Unrealised surplus on revaluation of investments	<u>-</u>	<u>4,582</u>
Net increase in shareholder's funds	<b>1,481</b>	16,334
Shareholder's funds at 1 January	<u><b>64,021</b></u>	<u>47,687</u>
Shareholder's funds at 31 December	<u><b>65,502</b></u>	<u>64,021</u>

## HAMMERSON (BICESTER NO. 2) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2014

#### 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 fixed asset investments, in accordance with all applicable law and United Kingdom accounting standards. The financial statements are in compliance with the Companies Act 2006.

(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 investment 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) Net finance income

Net finance income includes interest payable on borrowings and interest receivable on funds invested.

(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) Fixed asset investments

Fixed asset investments held for the long term are valued at the balance sheet date at their market value. Surpluses and deficits arising from revaluation are taken to the revaluation reserve.

## HAMMERSON (BICESTER NO. 2) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2014

#### 2. OPERATING PROFIT

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 fee 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 £1,475 (2013: £1,450).

#### 3. PROFIT ON SALE OF OTHER FIXED ASSET INVESTMENTS

	2014 £'000	2013 £'000
Gross proceeds on sale	44,413	-
Historic cost of fixed asset investments sold	(2,666)	-
Historic cost profit	41,747	-
Valuation surplus realised	(41,747)	-
Profit on sale of other fixed asset investments	-	-

#### 4. NET FINANCE INCOME

	2014 £'000	2013 £'000
Interest receivable from ultimate parent company	400	294

#### 5. TAXATION

The Company's ultimate parent company, Hammerson plc, is taxed as a UK Real Estate Investment Trust ("UK REIT") and as a consequence, group companies are exempted from UK corporation tax on the profits of a UK property rental business and on the gains on UK investment properties.

Group companies remain subject to UK corporation tax on items other than UK property rental profits and gains on UK investment properties but, as the Group has surplus tax losses, the Group's policy is for these taxable profits and losses to be fully offset by group relief surrendered without payment, so that individual subsidiaries do not bear tax.

The Company therefore had no tax charge for the year, and this is expected to continue for the foreseeable future. The profits covered by group relief for the year ended 31 December 2014 are £400,000 (2013: £294,000).

## HAMMERSON (BICESTER NO. 2) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2014

#### 6. INVESTMENTS

- (a) The movements in the year on investments at valuation were:

	£'000
At 1 January 2014	44,413
Disposals	<u>(44,413)</u>
At 31 December 2014	<u>-</u>

- (b) In May 2014 the Company disposed of its entire investment in Value Retail Investors Limited Partnership II to another Hammerson group company. The Company's investment was sold for market value proceeds of £44,413,000 (see note 3).

- (c) The historic cost of investments at 31 December 2014 was £nil (2013: £2,666,000).

#### 7. DEBTORS

	2014 £'000	2013 £'000
Amount owed by ultimate parent company	<u>65,502</u>	<u>19,608</u>

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

#### 8. SHARE CAPITAL

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

## HAMMERSON (BICESTER NO. 2) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2014

#### 9. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2014	41,747	22,274
Transfer on disposal of other investments	(41,747)	41,747
Profit for the financial year	-	1,481
	<hr/>	<hr/>
At 31 December 2014	-	65,502

#### 10. ADVANCES, CREDIT AND GUARANTEES

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

#### 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 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.