

Company Number: 04125224

**HAMMERSON INVESTMENTS (NO.16) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2016



## **HAMMERSON INVESTMENTS (NO.16) LIMITED**

### **REPORT OF THE DIRECTORS**

Year ended 31 December 2016

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 as an intermediate holding company 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 loss for the year after tax was £156,000 (2015: £161,000). The Directors do not recommend the payment of a dividend for the year (2015: £nil).

#### **3. DIRECTORS**

- (a) Mr. A.J. Berger-North and Mr. P.W.B. Cole were Directors of the Company throughout the year.
- (b) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- (c) 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. GOING CONCERN**

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net liability position on the balance sheet as at 31 December 2016 and concluded that it was appropriate. More information is provided in note 1(b) to the financial statements.

#### **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 acted as auditor of the Company for the year ended 31 December 2016. It is the intention of the Directors to appoint PricewaterhouseCoopers LLP for the year ending 31 December 2017.

## HAMMERSON INVESTMENTS (NO.16) LIMITED

### REPORT OF THE DIRECTORS

Year ended 31 December 2016

#### 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 May 2017

Registered Office:  
Kings Place  
90 York Way  
London N1 9GE  
Registered in England and Wales No. 04125224

## **HAMMERSON INVESTMENTS (NO.16) 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 Practices (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). 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 INVESTMENTS (NO.16) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON INVESTMENTS (NO.16) LIMITED**

We have audited the financial statements of Hammerson Investments (No.16) Limited for the year ended 31 December 2016, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. 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), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

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 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 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 2016 and of its loss for the year then ended; and
- 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 INVESTMENTS (NO.16) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON INVESTMENTS (NO.16) LIMITED (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

#### **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 from the requirement to prepare a Strategic Report.

D. Winstone

**Daryl Winstone (Senior Statutory Auditor)**

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Date: 26 May 2017

# HAMMERSON INVESTMENTS (NO.16) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Net finance costs	3	<u>(156)</u>	<u>(161)</u>
Loss on ordinary activities before and after taxation and total comprehensive income for the financial year	4	<u>(156)</u>	<u>(161)</u>

All amounts relate to continuing activities.

# HAMMERSON INVESTMENTS (NO.16) LIMITED

## BALANCE SHEET As at 31 December 2016

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Investments	5		10,281		10,281
<b>Current liabilities</b>					
Payables	6	<u>(16,774)</u>		<u>(16,618)</u>	
<b>Net current liabilities</b>			<u>(16,774)</u>		<u>(16,618)</u>
<b>Net liabilities</b>			<u>(6,493)</u>		<u>(6,337)</u>
<b>Capital and reserves</b>					
Called up share capital	7		-		-
Accumulated deficit	8		<u>(6,493)</u>		<u>(6,337)</u>
<b>Shareholder's deficit</b>			<u>(6,493)</u>		<u>(6,337)</u>

These financial statements were approved by the Board of Directors on 26 May 2017 and authorised for issue on 26 May 2017.

Signed on behalf of the Board of Directors



**A.J. Berger-North**  
Director  
Company Number: 04125224



**HAMMERSON INVESTMENTS (NO.16) LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2016**

	<b>Called up share capital £'000</b>	<b>Accumulated deficit £'000</b>	<b>Total deficit £'000</b>
Balance at 1 January 2015	-	(6,176)	(6,176)
Loss and other comprehensive income for the year	-	(161)	(161)
Balance at 31 December 2015	-	(6,337)	(6,337)
Loss and other comprehensive income for the year	-	(156)	(156)
Balance at 31 December 2016	-	<b>(6,493)</b>	<b>(6,493)</b>

## HAMMERSON INVESTMENTS (NO.16) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2016

#### 1. ACCOUNTING POLICIES

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

##### (a) Basis of accounting

###### *Basis of preparation*

Hammerson Investments (No.16) Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act. The nature of the Company's operations and its principal activities are set out on page 1. The address of the registered office is Kings Place, 90 York Way, London, N1 9GE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") as issued by the Financial Reporting Council.

The presentation currency used is sterling and amounts have been presented in round thousands ("£000s"). The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

###### *Disclosure exemptions adopted*

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- certain disclosures in relation to financial instruments held by the Company;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with wholly owned members of the group headed by the ultimate parent company, Hammerson plc.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hammerson plc into which the Company is consolidated. The financial statements of Hammerson plc can be obtained as described in note 10. Group accounts have not been prepared on the basis that the Company is included in the consolidated financial statements of Hammerson plc.

##### (b) Going concern

The financial position of the Company is as set out in the Balance Sheet. The Company has net current liabilities as at 31 December 2016 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.

## **HAMMERSON INVESTMENTS (NO.16) LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2016**

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

##### **(b) Going concern (continued)**

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) Fixed asset investments**

Fixed asset investments, including investments in subsidiaries and other related undertakings are stated at cost less provision for impairment.

##### **(d) Net finance costs**

Net finance costs include interest payable on borrowings and interest receivable on funds invested.

##### **(e) Loans receivable**

Loans receivable are financial assets which are initially measured at fair value, plus acquisition costs and are subsequently measured at amortised cost, using the effective interest method, less any impairment.

##### **(f) Borrowings**

Borrowings are recognised initially at fair value, after taking account of any discount on issue and attributable transaction costs. Subsequently, borrowings are held at amortised cost, such that discounts and costs are charged to the statement of comprehensive income over the term of the borrowing at a constant return on the carrying value of the liability.

##### **(g) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## HAMMERSON INVESTMENTS (NO.16) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2016

#### 1. ACCOUNTING POLICIES (continued)

##### (h) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

##### (i) Critical accounting policies and estimation uncertainties

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The Company's critical judgement and area of estimation uncertainty is in respect of the valuation of investments. The Company's investments includes its investment in Spitalfields Holdings Limited ("SHL"), which is carried in the balance sheet at historical cost less provision for impairment, which is valued by the Directors based upon the net assets of SHL in which the Company invests. The principal asset of SHL is its investment properties, which are stated at fair value. The Directors must ensure that they are satisfied that the Company's investment in SHL is appropriate for the accounts.

#### 2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding Directors, was nil (2015: nil).

The Directors did not receive any remuneration for services to the Company in either the current or preceding financial year. In addition there were no payments to key management personnel.

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 £1,297 (2015: £1,260).

#### 3. NET FINANCE COSTS

	2016 £'000	2015 £'000
Interest payable to ultimate parent company	<u>(156)</u>	<u>(161)</u>

# HAMMERSON INVESTMENTS (NO.16) LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2016

### 4. TAXATION

#### a) Tax charge

	2016 £'000	2015 £'000
Tax charge on loss on ordinary activities	-	-

#### b) Factors affecting current tax charge

The tax assessed on the loss for the year is different from the standard rate of corporation tax of 20.00% (2015: 20.25%). The differences are reconciled below:

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	(156)	(161)
Loss at UK corporation tax rate of 20.00% (2015: 20.25%)	(31)	(32)
Effect of:		
Share of Spitalfields Development Group partnership profit	3	3
Group relief surrendered for nil consideration	28	29
Total current tax	-	-

## HAMMERSON INVESTMENTS (NO.16) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2016

#### 5. INVESTMENTS

	2016 £'000	2015 £'000
<b>Investment in group undertaking</b>		
<b>Cost</b>		
At 1 January and 31 December	10,888	10,888
<b>Impairment provision</b>		
At 1 January and 31 December	<u>(607)</u>	<u>(607)</u>
<b>Carrying value</b>		
At 1 January and 31 December	<u>10,281</u>	<u>10,281</u>

The investment includes a 33.33% holding in the ordinary and preference share capital of Spitalfields Holdings Limited, a company registered in England and Wales with the same registered office as the Company. Spitalfields Holdings Limited's principal activities are holding and managing its investments in subsidiary undertakings.

Spitalfields Holdings Limited owns 100% of the issued share capital of Spitalfields Developments Limited ("SDL"), a company registered in England and Wales with the same registered office as the Company. SDL is a partner in a corporate partnership, Spitalfields Development Group, whose principal activity is property development.

These investments are carried at cost plus associated acquisition costs, less impairment for provision. In the opinion of the Directors, at 31 December 2016 the aggregate value of these investments is not less than their carrying value in the balance sheet.

#### 6. PAYABLES: CURRENT LIABILITIES

	2016 £'000	2015 £'000
Amounts owed to ultimate parent company	<u>16,774</u>	<u>16,618</u>

Amounts owed to the ultimate parent company bear interest at variable rates based on LIBOR.

#### 7. CALLED UP SHARE CAPITAL

	2016 £	2015 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid:</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## **HAMMERSON INVESTMENTS (NO.16) LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2016**

#### **8. RESERVES**

The following describes the nature and purpose of each reserve within equity:

<u>Reserve</u>	<u>Description and purpose</u>
Share capital	Nominal value of share capital subscribed for
Accumulated deficit	Cumulative profits and losses less any dividends paid

#### **9. ADVANCES, CREDIT AND GUARANTEES**

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

#### **10. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

At 31 December 2016, 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 2016, 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.