

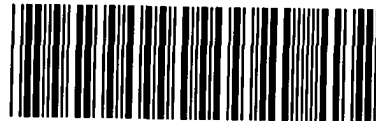
Company Number: 04170271

**HAMMERSON (KINGSTON) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2018

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## **HAMMERSON (KINGSTON) LIMITED**

### **DIRECTORS' REPORT**

Year ended 31 December 2018

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 AND FUTURE DEVELOPMENTS**

The principal activity of Hammerson (Kingston) Limited ("the Company") is property investment in the United Kingdom. On 14 December 2015, the Company disposed of its property. The Directors anticipate there will be residual property related activities in the foreseeable future.

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

The profit for the year after tax was £72,000 (2017: £49,000). The Directors do not recommend the payment of a dividend for the year (2017: £nil).

Net assets of the Company at 31 December 2018 were £3,830,000 (2017: £3,758,000).

#### **3. DIRECTORS**

- (a) Mr. A.J. Berger-North, Mr. M. Bourgeois, and Mr. P.W.B. Cole were Directors of the Company throughout the year.
- (b) Mr. P.W.B. Cole resigned as a Director of the Company on 30 April 2019.
- (c) Mr. S.C. Travis was appointed as a Director of the Company on 30 April 2019.
- (d) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- (e) 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 as at 31 December 2018 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 put in place 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 approval of this report.

## HAMMERSON (KINGSTON) LIMITED

### DIRECTORS' REPORT (CONTINUED) Year ended 31 December 2018

#### 7. INDEPENDENT AUDITORS

BDO LLP shall be deemed to be re-appointed as auditors 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.

#### 8. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The Directors 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 (KINGSTON) LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**Year ended 31 December 2018**

**8. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

In the case of each Director in office at the date the Directors' Report is approved:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



**J. Crane**  
For and on behalf of  
Hammerson Company Secretarial Limited  
acting as Secretary  
Date: 27 June 2019

Registered Office:  
Kings Place  
90 York Way  
London, N1 9GE  
Registered in England and Wales No. 07784823

## **HAMMERSON (KINGSTON) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMMERSON (KINGSTON) LIMITED**

We have audited the financial statements of Hammerson (Kingston) Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the period 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **HAMMERSON (KINGSTON) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMMERSON (KINGSTON) LIMITED (CONTINUED)**

#### **Opinions 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 period 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.

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of Directors**

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, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**HAMMERSON (KINGSTON) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMMERSON (KINGSTON) LIMITED  
(CONTINUED)**

**Use of our report**

This report is made solely to the Company's members, as a body, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

**Christopher Wingrave (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor

Gatwick, United Kingdom

Date: 9 July 2019

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

**HAMMERSON (KINGSTON) LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2018**

	<b>Note</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Rents payable and other property outgoings		<u>8</u>	<u>-</u>
Net rental income	1(c)	8	-
Administration expenses	2	<u>-</u>	<u>-</u>
Operating profit		8	-
Net finance income	3	<u>64</u>	<u>49</u>
Profit on ordinary activities before and after taxation and total comprehensive income for the financial year		<u>72</u>	<u>49</u>

All amounts relate to discontinued operations.



**HAMMERSON (KINGSTON) LIMITED****BALANCE SHEET**  
**At as 31 December 2018**

	Note	2018		2017	
		£'000	£'000	£'000	£'000
<b>Current assets</b>					
Receivables	5	3,830		3,767	
<b>Current liabilities</b>					
Payables	6	-		(9)	
<b>Net current assets</b>			<u>3,830</u>		<u>3,758</u>
<b>Net assets</b>			<u>3,830</u>		<u>3,758</u>
<b>Capital and reserves</b>					
Called up share capital	7		10,000		10,000
Accumulated deficit	8		<u>(6,170)</u>		<u>(6,242)</u>
<b>Shareholder's equity</b>			<u>3,830</u>		<u>3,758</u>

These financial statements were approved by the Board of Directors on  
signed on its behalf.

27 June 2019 and were



**A.J. Berger-North**  
**Director**  
**Company Number: 04170271**

**HAMMERSON (KINGSTON) LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2018**

	<b>Called up share capital £'000</b>	<b>Accumulated deficit £'000</b>	<b>Shareholder's equity £'000</b>
Balance at 1 January 2017	10,000	(6,291)	3,709
Profit and total comprehensive income for the year	-	49	49
Balance at 31 December 2017	10,000	(6,242)	3,758
Profit and total comprehensive income for the year	-	72	72
<b>Balance at 31 December 2018</b>	<b>10,000</b>	<b>(6,170)</b>	<b>3,830</b>

## HAMMERSON (KINGSTON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2018

#### 1. ACCOUNTING POLICIES

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

##### (a) Basis of accounting

During 2018, the following relevant new and revised Standards and Interpretations have been adopted

- IFRS 9 Financial Instruments, effective for accounting periods beginning on or after 1 January 2018; and
- IFRS 15 Revenue from Contracts with Customers, effective for accounting periods beginning on or after 1 January 2018.

##### *Impact of new and revised Standards*

##### *IFRS 9 Financial Instruments*

This standard deals with the classification, measurement and recognition of financial assets and liabilities and replaces the guidance in IAS39 Financial Instruments: Recognition and Measurement.

The standard also introduces an expected credit losses model, which replaces the incurred loss impairment model. Under IFRS9, entities are required to calculate expected credit losses on all financial assets, including intercompany loans within the scope of IFRS 9. The financial impact of the new standard is immaterial.

##### *IFRS 15 Revenue from Contracts with Customers*

The Standard is based on the principle that revenue is recognized when control passes to a customer. The Company has no income and therefore there is no impact of the new standard.

##### *Basis of preparation*

Hammerson (Kingston) 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.

The preparation of financial instruments in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(h).

## HAMMERSON (KINGSTON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2018

#### 1. ACCOUNTING POLICIES (continued)

##### (a) Basis of accounting (continued)

###### *Disclosure exemptions adopted*

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101: No additional exemptions have arisen from the updates to IFRS 9 and IFRS 15:

- IFRS 7, 'Financial Instruments; Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities';
- Paragraph 38 of IAS1, 'Presentation of financial statements' – comparative information in respect of:
  - i. paragraph 79(a)(iv) of IAS 1;
  - ii. paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - iii. paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - i. 10(d) (statement of cash flows);
  - ii. 16 (statement of compliance with all IFRS);
  - iii. 38A (requirements for minimum of two primary statements, including cash flow statements);
  - iv. 38B-D (additional comparative information);
  - v. 111 (cash flow statement information); and
  - vi. 134 – 136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS what has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

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.

##### (b) Going concern

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 financial statements.

## **HAMMERSON (KINGSTON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **Year ended 31 December 2018**

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

##### **(c) Net rental income**

Rental income from investment property leased out under an operating lease is recognised in the statement of comprehensive income 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 lease term or, if the probability that the break option will be exercised is considered high, over the period to the first break option.

Property operating expenses are expensed as incurred and any property operating expenditure not recovered from tenants through service charges is charged to the statement of comprehensive income.

##### **(d) Net finance income**

Net finance costs include interest payable on borrowings, net of interest receivable on funds invested and is included within the statement of comprehensive income.

##### **(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 (KINGSTON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Year ended 31 December 2018

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

##### **(h) Critical accounting policies and estimation uncertainties**

Given the nature of the Company's operations the Directors are of the opinion that there are no critical accounting policies or areas of estimation uncertainty.

#### **2. ADMINISTRATION EXPENSES**

The average number of employees during the year, excluding Directors, was nil (2017: nil).

The Directors did not receive any remuneration for their services from the Company in the year (2017: £nil), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of disclosure.

Another group company has paid the auditor's fees for the audit of the Company's annual financial statements in both the current and preceding financial year. Fees for the audit of the Company were £850 (2017: £825).

#### **3. NET FINANCE INCOME**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable from the ultimate parent company	<b>64</b>	<b>49</b>

#### **4. 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 2018 are £64,000 (2017: £49,000).

## HAMMERSON (KINGSTON) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2018

#### 5. RECEIVABLES

	2018 £'000	2017 £'000
Amounts owed by ultimate parent company	3,829	3,767
Amounts owed by fellow subsidiary undertakings	1	-
	<u>3,830</u>	<u>3,767</u>

All amounts shown under receivables fall due for payment within one year and are payable on demand. Interest is charged on amounts owed by the ultimate parent company at variable rates based on LIBOR. Amounts owed by fellow subsidiary undertakings are non-interest bearing. All amounts owed are unsecured.

#### 6. PAYABLES: CURRENT LIABILITIES

	2018 £'000	2017 £'000
Other payables	<u>-</u>	<u>9</u>

#### 7. CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
<b>Authorised:</b> 50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid:</b> 10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

#### 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 the Directors during the year.

## **HAMMERSON (KINGSTON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **Year ended 31 December 2018**

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

At 31 December 2018, 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 2018, 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.