

Company Number 5535742

**HAMMERSON (PARC TAWÉ I) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2011



## **HAMMERSON (PARC TAWE I) LIMITED**

### **REPORT OF THE DIRECTORS**

Year ended 31 December 2011

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

#### **1 PRINCIPAL ACTIVITIES**

The principal activity of the Company is property 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 £1,050,000 (2010 £1,443,000). The Directors do not recommend the payment of a dividend for the year (2010 £nil).

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

It is expected that the Company will continue to hold its property investments for 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 2011 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, Mr L F Hutchings and Mr A J G Thomson were Directors of the Company throughout the year.
- b) Mr M C Jepson resigned as a Director of the Company on 31 July 2011.
- c) Mr N A S Hardie resigned as a Director of the Company on 14 October 2011.
- 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.

#### **5 SECRETARY**

- a) Mr S J Haydon resigned as Secretary of the Company on 22 September 2011.
- b) Hammerson Company Secretarial Limited was appointed as Secretary of the Company on 23 September 2011.

#### **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.

**HAMMERSON (PARC TAWE I) LIMITED**

**REPORT OF THE DIRECTORS**  
**Year ended 31 December 2011**

**7      ISSUED SHARE CAPITAL**

On 21 September 2011 the issued share capital of the Company was increased from £15,000,000 divided into 15,000,000 ordinary shares of £1 00 each to £27,000,000 divided into 27,000,000 ordinary shares of £1 00 each

**8      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

**9      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



R S Booth  
For and on behalf of  
Hammerson Company Secretarial Limited  
acting as Secretary  
Date **01 AUG 2012**

Registered Office  
10 Grosvenor Street  
London W1K 4BJ  
Registered in England and Wales No 5535742

## **HAMMERSON (PARC TAWÉ I) 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 (PARC TAWE I) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (PARC TAWE I) LIMITED**

We have audited the financial statements of Hammerson (Parc Tawe I) Limited for the year ended 31 December 2011 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/(deficit) 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 Auditing Practices Board's (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2011 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.

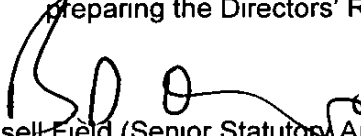
**HAMMERSON (PARC TAWÉ I) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (PARC TAWÉ I) 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



Russell Field (Senior Statutory Auditor)  
for and on behalf of BDO LLP, Statutory Auditor  
Epsom, United Kingdom

Date

**01 AUG 2012**

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

**HAMMERSON (PARC TAWÉ I) LIMITED****PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2011**

	<b>Notes</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Gross rental income		<b>1,937</b>	2,256
Rents payable and other property outgoings		<b>(186)</b>	(196)
Net rental income		<b>1,751</b>	2,060
Administration expenses	2	<b>(144)</b>	(127)
Operating profit		<b>1,607</b>	1,933
Net finance costs	3	<b>(557)</b>	(490)
Profit on ordinary activities before and after taxation for the financial year	9	<b>1,050</b>	1,443

All amounts relate to continuing activities

# HAMMERSON (PARC TAWÉ I) LIMITED

## BALANCE SHEET

As at 31 December 2011

	Notes	2011 £'000	2010 £'000
<b>Tangible fixed assets</b>			
Investment properties	5	21,400	20,800
<b>Current assets</b>			
Debtors	6	1,275	2,102
<b>Current liabilities</b>			
Creditors amounts falling due within one year	7	(13,947)	(27,774)
<b>Net current liabilities</b>		<u>(12,672)</u>	<u>(25,672)</u>
<b>Net assets/(liabilities)</b>		<u>8,728</u>	<u>(4,872)</u>
<b>Capital and reserves</b>			
Called up share capital	8	27,000	15,000
Revaluation reserve	9	185	(365)
Profit and loss account	9	<u>(18,457)</u>	<u>(19,507)</u>
<b>Shareholder's funds/(deficit)</b>		<u>8,728</u>	<u>(4,872)</u>

These financial statements were approved by the Board of Directors on 01 AUG 2012  
and authorised for issue on 01 AUG 2012

Signed on behalf of the Board of Directors



Andrew Berger - non  
Director  
Company Number: 5535742



**HAMMERSON (PARC TAWÉ I) LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**For the year ended 31 December 2011

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
Profit for the financial year	<b>1,050</b>	<b>1,443</b>
Unrealised surplus/(deficit) on revaluation of properties	<b>550</b>	<b>(55)</b>
Total recognised gains and losses for the year	<b>1,600</b>	<b>1,388</b>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS/(DEFICIT)**For the year ended 31 December 2011

	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
Profit for the financial year	<b>1,050</b>	<b>1,443</b>
New shares issued	<b>12,000</b>	<b>-</b>
Unrealised surplus/(deficit) on revaluation of properties	<b>550</b>	<b>(55)</b>
Net decrease in shareholder's deficit	<b>13,600</b>	<b>1,388</b>
Shareholder's deficit at 1 January	<b>(4,872)</b>	<b>(6,260)</b>
Shareholder's funds/(deficit) at 31 December	<b>8,728</b>	<b>(4,872)</b>

## **HAMMERSON (PARC TAW E I) LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2011**

#### **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 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 2011 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) **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

## HAMMERSON (PARC TAWE I) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 1. ACCOUNTING POLICIES (continued)

##### d) Net rental income (continued)

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

##### e) 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 property are capitalised

##### f) 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.

#### 2. ADMINISTRATION EXPENSES

	2011 £'000	2010 £'000
Management fee payable to fellow group company	144	126
Other administration expenses	-	1
	<u>144</u>	<u>127</u>

The average number of employees during the year, excluding Directors, was nil (2010 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 £2,600 (2010 £2,600)

## HAMMERSON (PARC TAWÉ I) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 3. NET FINANCE COSTS

	2011 £'000	2010 £'000
Interest payable to ultimate parent company	<u>557</u>	<u>490</u>

#### 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 2011 are £nil (2010 £nil)

#### 5. INVESTMENT PROPERTIES

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

	Long leasehold £'000
At 1 January 2011	20,800
Additions at cost	50
Surplus arising on revaluation	<u>550</u>
At 31 December 2011	<u>21,400</u>

- (b) Property is stated at market value at 31 December 2011, 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 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 for the Company at 31 December 2011 was £21,215,000 (2010 £21,165,000)

## HAMMERSON (PARC TAWE I) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 6 DEBTORS

	2011 £'000	2010 £'000
Trade debtors	124	40
Amounts owed by fellow subsidiary undertakings	1,103	2,041
Other debtors and prepayments	48	21
	<u>1,275</u>	<u>2,102</u>

All amounts shown under debtors fall due for payment within one year. Amounts owed by fellow subsidiary undertakings are non-interest bearing.

#### 7. CREDITORS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Trade creditors	121	-
Accruals and deferred income	409	464
Amounts owed to ultimate parent company	12,962	26,157
Amounts owed to fellow subsidiary undertakings	298	1,088
Other creditors	157	65
	<u>13,947</u>	<u>27,774</u>

Interest is charged on amounts owed to the ultimate parent company at variable rates based on LIBOR. Amounts owed to fellow subsidiary undertakings are repayable on demand and are non-interest bearing.

#### 8. SHARE CAPITAL

	2011 £	2010 £
<b>Allotted, called up and fully paid:</b>		
27,000,000 (2010: 15,000,000) ordinary shares of £1 each	<u>27,000,000</u>	<u>15,000,000</u>

On 21 September 2011 the issued share capital of the Company was increased from £15,000,000 divided into 15,000,000 ordinary shares of £1.00 each to £27,000,000 divided into 27,000,000 ordinary shares of £1.00 each.

## HAMMERSON (PARC TAWE I) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 9. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2011	(365)	(19,507)
Surplus on revaluation of properties	550	-
Profit for the financial year	-	1,050
At 31 December 2011	<u>185</u>	<u>(18,457)</u>

#### 10. ADVANCES, CREDIT AND GUARANTEES

The Company did not grant any credits, advances or guarantees of any kind to its 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 2011, 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 2011, 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, 10 Grosvenor Street, London W1K 4BJ