

Company Number 6663603

HAMMERSON (99 BISHOPSGATE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2011

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HAMMERSON (99 BISHOPSGATE) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2011

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 £9,194,000 (2010: £11,504,000). 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 investment for the foreseeable future. During the year, the Company acquired from a third party the freehold of 99 Bishopsgate for a nominal amount, and a 99.9% interest in Hammerson Bishopsgate LLP, which holds a long leasehold interest in the 99 Bishopsgate property.

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.

The Directors consider the following measures to be the key performance indicators for the Company: net rental income and property valuation.

During 2011 the Company's investment property produced net rental income of £12,390,000 (2010: £13,658,000). At 31 December 2011 the Company's investment property was valued at £128,090,000 (2010: £125,800,000), and achieved a revaluation surplus of £2,040,000 (2010: £9,976,000).

The key risks facing the Company relate to tenant exposure and the strength of the UK property market. Tenants' covenants are monitored at the start of leasing agreements and on an ongoing basis, and collection performance is closely monitored. Quarterly property valuations are used to monitor the valuation performance of the Company's property assets against the IPD benchmark.

A more comprehensive discussion of risks, risk management and key performance indicators is included in the Annual Report of the ultimate controlling party, Hammerson plc, which does not form part of this report.

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.

HAMMERSON (99 BISHOPSGATE) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2011

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 CREDITOR PAYMENT POLICY

It is the Company's policy and practice that the terms of payment to suppliers are agreed in advance of the supply of goods and services and that payments are made in accordance with those terms and conditions provided that the supplier has also complied with them. At 31 December 2011, the Company had nil days' (2010 nil days') purchases outstanding.

7 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.

8 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.

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 **30 MAY 2012**

Registered Office
10 Grosvenor Street
London W1K 4BJ
Registered in England and Wales No 6663603

HAMMERSON (99 BISHOPSGATE) 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,
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, 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 (99 BISHOPSGATE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (99 BISHOPSGATE) LIMITED.

We have audited the financial statements of Hammerson (99 Bishopsgate) 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 and the related notes 1 to 13. 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 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. 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 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.

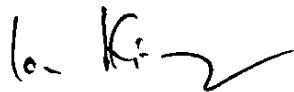
HAMMERSON (99 BISHOPSGATE) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON
(99 BISHOPSGATE) 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



Ian Krieger (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date 30 May 2012

HAMMERSON (99 BISHOPSGATE) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2011**

	Notes	2011 £'000	2010 £'000
Gross rental income		17,152	18,096
Rents payable and other property outgoings		<u>(4,762)</u>	<u>(4,438)</u>
Net rental income		12,390	13,658
Administration expenses	2	<u>(1,198)</u>	<u>(737)</u>
Operating profit		11,192	12,921
Net finance costs	3	<u>(1,998)</u>	<u>(1,417)</u>
Profit on ordinary activities before and after taxation for the financial year	10	<u>9,194</u>	<u>11,504</u>

All amounts relate to continuing activities

HAMMERSON (99 BISHOPSGATE) LIMITED**BALANCE SHEET**
As at 31 December 2011

	Notes	2011 £'000	2010 £'000
Tangible fixed assets			
Investment properties	5	128,090	125,800
Other investments	6	<u>89,910</u>	<u>-</u>
		218,000	125,800
Current assets			
Debtors	7	<u>6,728</u>	<u>3,892</u>
Total current assets		6,728	3,892
Current liabilities			
Creditors falling due within one year	8	<u>(126,662)</u>	<u>(42,860)</u>
Net current liabilities		(119,934)	(38,968)
Net assets		98,066	86,832
Capital and reserves			
Called up share capital	9	100,000	100,000
Revaluation reserve	10	(35,034)	(37,074)
Profit and loss account	10	<u>33,100</u>	<u>23,906</u>
Shareholder's funds		98,066	86,832

These financial statements were approved by the Board of Directors on **30 MAY 2012** and authorised for issue on **30 MAY 2012**

Signed on behalf of the Board of Directors



ANDREW BERGER-NORTH

Director

Company Number: 6663603

HAMMERSON (99 BISHOPSGATE) LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**Year ended 31 December 2011

	2011	2010
	£'000	£'000
Profit for the financial year	9,194	11,504
Unrealised surplus on revaluation of properties	<u>2,040</u>	<u>9,976</u>
Total recognised gains and losses for the year	<u>11,234</u>	<u>21,480</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDSYear ended 31 December 2011

	2011	2010
	£'000	£'000
Profit for the financial year	9,194	11,504
Unrealised surplus on revaluation of properties	<u>2,040</u>	<u>9,976</u>
Net increase in shareholder's funds	11,234	21,480
Shareholder's funds at 1 January	<u>86,832</u>	<u>65,352</u>
Shareholder's funds at 31 December	<u>98,066</u>	<u>86,832</u>

HAMMERSON (99 BISHOPSGATE) 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 year 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 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

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

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

(e) Net finance costs

Net finance costs include interest payable on borrowings, net of interest capitalised and interest receivable on funds invested

(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) 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

(h) 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	1,998	737

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 £2,700 (2010 £2,225)

HAMMERSON (99 BISHOPSGATE) 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>1,998</u>	<u>1,417</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	125,800
Additions at cost	250
Surplus arising on revaluation	<u>2,040</u>
At 31 December 2011	<u>128,090</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 £163,124,000 (2010 £162,874,000)

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

6. OTHER INVESTMENTS

Shares in group companies	2011 £'000
Cost	
At 1 January	-
Additions	89,910
At 31 December	<u>89,910</u>
Net book value	
At 1 January	-
At 31 December	<u>89,910</u>

Hammerson (99 Bishopsgate) Limited acquired the legal title to the freehold interest of 99 Bishopsgate on 7 July 2011 and holds this on bare trust for The Prudential Assurance Company Limited

7. DEBTORS

	2011 £'000	2010 £'000
Amounts owed by fellow subsidiary undertakings	6,728	3,858
Other debtors	-	34
	<u>6,728</u>	<u>3,892</u>

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

8. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Trade creditors	2,707	4,102
Amounts owed to ultimate parent company	121,159	38,734
Amounts owed to fellow subsidiary undertakings	2,796	24
	<u>126,662</u>	<u>42,860</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.

9. SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called up and fully paid:		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

HAMMERSON (99 BISHOPSGATE) LIMITED

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

10. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2011	(37,074)	23,906
Surplus arising on revaluation of properties	2,040	-
Profit for the financial year	-	9,194
At 31 December 2011	(35,034)	33,100

11. ADVANCES, CREDIT AND GUARANTEES

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

12. 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

13. 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