

**Brookfield (99 Bishopsgate) Limited
(formerly Hammerson (99
Bishopsgate) Limited)**

Directors' report and financial
statements

Registered number 6663603

For the year ended 31 December 2012



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Directors' report

The Directors present their report on the affairs of Brookfield (99 Bishopsgate) Limited (the "Company"), together with the financial statements and auditor's report, for the year ended 31 December 2012

During the year the Company was part of a corporate sale transaction signed 19 June 2012 which completed on 28 September 2012. The transaction resulted in the former parent Hammerson UK Properties plc transferring full interest to an unrelated party BOP (99 Bishopsgate) Sarl. As a result the Company's ultimate parent is now Brookfield Office Properties Inc.

The name of the Company was changed from Hammerson (99 Bishopsgate) Limited to Brookfield (99 Bishopsgate) Limited on 18 October 2012.

Principal activities

The principal activity of the Company was property investment in the United Kingdom until it sold its investment property on 28 September 2012. The Company ceased trading at that point and is now dormant.

The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

Business review

The Company made a profit for the financial year of £11,653,000 (*year ended 31 December 2011 £9,194,000*). This included a £3,996,000 distribution received from BOP (99 Bishopsgate) LLP (formerly Hammerson Bishopsgate Limited Liability Partnership). A dividend of £95,000,000 was paid during the year (2011: £nil). Share capital was also reduced to £35 per share.

On 28 September 2012 the Company purchased BOP (99 Bishopsgate) LLP's leasehold property for market value. Subsequently the Company sold this with the freehold interest and related working capital to its new parent BOP (99 Bishopsgate) Sarl for market value. The Company recognised a £9,811,000 gain on sale. All property related contracts were assigned to BOP (99 Bishopsgate) Sarl, cancelled or amended.

The Company has now ceased trading and has no assets or liabilities other than its intercompany loan receivable and intercompany loan payable, as well as its investment in BOP (99 Bishopsgate) LLP. The Directors anticipate that the Company will remain dormant.

Directors

Set out below are the Directors who held office during the year and up to the date of this report, except as noted.

Mr M C Jepson	(appointed 28 September 2012)
Mr J L Tuckey	(appointed 28 September 2012)
Mr A J Berger-North	(resigned 28 September 2012)
Mr P W B Cole	(resigned 28 September 2012)
Mr L F Hutchings	(resigned 28 September 2012)
Mr A J G Thomson	(resigned 28 September 2012)

Going Concern

The Company's financial statements have been prepared on a basis other than going concern. This is based on the assumption that the sole property interest in the Company was sold and subsequently the Company ceased to trade and became a dormant entity.

The Company has no long-term financial liabilities.

Auditor

Each of the persons who is a Director of the Company at the date of approval of this report have confirmed that

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

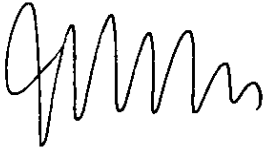
This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Directors' report (continued)

Auditor (continued)

A resolution for the re-appointment of Deloitte LLP as auditor of the Company is to be proposed at the Annual General Meeting

Approved by the Board and signed on its behalf by



JL Tuckey
Director

23 Hanover Square
London
W1S 1JB
31 October 2013

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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.

Report of the independent auditor to the members of Brookfield (99 Bishopsgate) Limited (formerly Hammerson (99 Bishopsgate) Limited)

We have audited the financial statements of Brookfield (99 Bishopsgate) Limited (formerly Hammerson (99 Bishopsgate) Limited), for the year ended 31 December 2012, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses, the reconciliation of movements in shareholders' funds and the related notes 1 to 14. 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 2012 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.

Emphasis of matter – financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

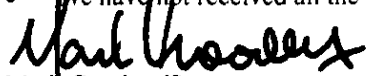
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Mark Goodey (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
31 October 2013

Profit and loss account
For the year ended 31 December 2012

		Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Discontinuing Operations	<i>Notes</i>		
Gross rental income		8,654	17,152
Rents payable and other property outgoings		(5,534)	(4,762)
		<hr/>	<hr/>
		3,120	12,390
Administrative expenses	3	(901)	(1,198)
		<hr/>	<hr/>
		2,219	11,192
Net finance costs	4	(4,373)	(1,998)
Gain on disposal of property	6	9,811	-
Distributions received	5	3,996	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation for the financial year		11,653	9,194
Taxation	5	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation for the financial year		11,653	9,194
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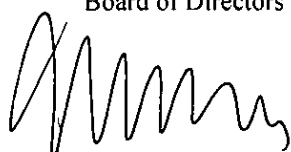
All amounts derive from discontinuing operations

Balance sheet
As at 31 December 2012

	<i>Notes</i>	31 December 2012 £000	31 December 2011 £000
Non-current assets			
Investment properties	6	-	128,090
Other investments	7	89,910	89,910
Total non-current assets		89,910	218,000
Current assets			
Debtors	8	17,316	6,728
Total assets		107,226	224,728
Current liabilities			
Creditors amounts falling due within one year	9	(92,507)	(126,662)
Total liabilities		(92,507)	(126,662)
Net assets		14,719	98,066
Capital and reserves			
Called up share capital	10	35,000	100,000
Revaluation reserve	11	-	(35,034)
Profit and loss account	11	(20,281)	33,100
Shareholder funds		14,719	98,066

The balance sheet should be read in conjunction with the notes to the financial statements on pages 8 to 12

The financial statements of Brookfield (99 Bishopsgate) Limited, registered number 6663603, were approved by the Board of Directors on 31 October 2013 and were signed on their behalf by


JL Tuckey
Director

Statement of total recognised gains and losses
For the year ended 31 December 2012

	31 December 2012 £000	31 December 2011 £000
Profit for the financial year	11,653	9,194
Unrealised surplus on revaluation of properties	-	2,040
Total recognised gains and losses for the year	11,653	11,234

Note of historical cost profits and losses
For the year ended 31 December 2012

	31 December 2012 £000	31 December 2011 £000
Profit for the financial year	11,653	9,194
Realisation of property revaluation losses	(35,034)	-
Historical cost (loss)/profit on ordinary activities before taxation	(23,381)	9,194

Reconciliation of movements in shareholders' funds
For the year ended 31 December 2012

	Share capital £000	Revaluation reserve £000	Profit and loss reserve £000	Total £000
At 1 January 2011	100,000	(37,074)	23,906	86,832
Profit for the financial year	-	-	9,194	9,194
Unrealised surplus on revaluation of properties	-	2,040	-	2,040
At 31 December 2011	100,000	(35,034)	33,100	98,066
At 1 January 2012	100,000	(35,034)	33,100	98,066
Profit for the financial year	-	-	11,653	11,653
Share capital reduction	(65,000)	-	65,000	-
Realised revaluation reserve	-	35,034	(35,034)	-
Dividend paid	-	-	(95,000)	(95,000)
At 31 December 2012	35,000	-	(20,281)	14,719

Notes to the financial statements *(forming part of the financial statements)*

1. General information

Brookfield (99 Bishopsgate) Limited (formerly Hammerson (99 Bishopsgate) Limited) is a limited liability company incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is 23 Hanover Square, London, W1S 1JB. The nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Significant accounting policies

Basis of accounting

The financial statements continue to be prepared under the historical cost convention in accordance with all applicable law and United Kingdom accounting standards, with the exception of the depreciation of investment properties as explained below.

As explained in the Directors' report, the Company ceased trading during the year. The financial statements have been prepared on a basis other than that of a going concern. No adjustments have been made in respect of the amounts held on the Company's balance sheet. The Company's assets are already held at net realisable value, therefore no asset write down is required. Equally there are no onerous contractual commitments for which a provision is required.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

No cash flow statement has been prepared, as the Company had no cash balances or bank accounts in either the current or preceding year.

The financial statements are expressed in pounds sterling which is the functional currency of the Company.

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

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.

Net finance costs

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

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.

Notes to the financial statements (continued)

2. Significant accounting policies (continued)

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.

Disposal of investment properties

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount less cost to sell. When revalued assets are sold, the amounts included in the revaluation reserves are transferred to retained earnings.

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.

3 Administrative expenses

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Management fee payable to fellow group company	901	1,998
	<u>901</u>	<u>1,998</u>

The directors did not receive any remuneration for services to the Company during the current or preceding financial year. The Company had no employees in either the current or preceding financial year.

Fees payable to the Company's auditor in respect of their audit of these financial statements are expected to be £6,000 (2011 £2,700). These amounts are borne by a fellow group company.

4. Net finance costs

	Year ended 31 December 2012 £000	Year ended 31 December 2011 £000
Interest payable to Hammerson plc	4,373	1,998
	<u>4,373</u>	<u>1,998</u>

5. Taxation

Prior to 28 September 2012, the Company's ultimate parent company was Hammerson plc and the Company was part of this Group for tax purposes. 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.

This policy is applicable for the Company up to 28 September 2012, and consequently the Company had no tax payable for the year up to this date.

Notes to the financial statements (continued)

5 Taxation (continued)

From 28 September 2012, the Company's ultimate parent company became Brookfield Office Properties Inc. On 28 September 2012, the Company sold its entire property interest and ceased trading from this date. The only profits and losses earned from 28 September 2012 were in relation to the gain on sale made on the property sale.

Capital gains and UK REIT legislation deems the property disposal on 28 September 2012 to take place at market value and deems the cost of each property to be the original cost. Despite an accounting gain of £9.8 million being made from the actual sales proceeds received, a capital loss arose on the transfer for tax purposes. The calculated base cost of the property transferred was higher than its market value, resulting in a capital loss arising on disposal.

On this basis, no current tax has been recognised for the year ended 31 December 2012.

The Company has not recognised a deferred tax asset in relation to its capital losses on the basis that the Company is no longer trading and it is anticipated that the Company will not have any future profits to offset these losses.

The profits covered by group relief for the year ended 31 December 2012 are £nil (2011: £nil).

The Company also received distribution of £3,996,000 from BOP (99 Bishopsgate) LLP (formerly Hammerson Limited Liability Partnership) on 25 September 2012. This is an exempt distribution for tax purposes.

6. Investment properties

The movements in the year on investment properties were:

	Long leasehold £000	Total £000
At 1 January 2011	125,800	125,800
Additions at cost	250	250
Surplus arising on revaluation	2,040	2,040
At 31 December 2011	128,090	128,090
Additions at cost	114,671	114,671
Disposal of investment properties	(242,761)	(242,761)
At 31 December 2012	-	-

As at 31 December 2011 investment properties were stated at market value. The historical cost was £163,124,000.

Investment properties were valued by professionally qualified external valuers, DTZ Debenham Tie Leung, Chartered Surveyors at 31 December 2011. The valuations were prepared in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors and with IVAS of the International Valuation Standards.

On 28 September 2012 the Company purchased related leasehold property from BOP (99 Bishopsgate) LLP's (formerly Hammerson Limited Liability Partnership) for market value. Subsequently the Company sold this with its freehold interest and related working capital to its new parent BOP (99 Bishopsgate) Sarl for market value resulting in a £9.8m gain on disposal.

7. Other investments

	31 December 2012 £000	31 December 2011 £000
Shares in group entities		
<i>Cost</i>		
At 1 January	89,910	-
Additions	-	89,910
At 31 December	89,910	89,910

The Company owns a 99.9% interest in BOP (99 Bishopsgate) LLP, a dormant company. Other investments are recorded at cost less impairment.

Notes to the financial statements *(continued)*

8. Debtors

	31 December 2012 £000	31 December 2011 £000
Amounts owed to BOP (99 Bishopsgate) Sarl	17,316	-
Amounts owed by fellow subsidiary undertakings	-	6,728
	<u>17,316</u>	<u>6,728</u>

All amounts shown under debtors fall due for payment within one year. Amounts owed by fellow subsidiary undertakings and BOP (99 Bishopsgate) Sarl are non-interest bearing.

9. Creditors, falling due within one year

	31 December 2012 £000	31 December 2011 £000
Trade creditors	-	2,707
Amounts owed to Hammerson plc	-	121,159
Amounts owed to BOP (99 Bishopsgate) LLP	92,507	-
Amounts owed to fellow subsidiary undertakings	-	2,796
	<u>92,507</u>	<u>126,662</u>

Interest is charged on amounts owed to Hammerson plc at variable rates based on LIBOR. The outstanding balance and interest due was fully repaid during the year. Amounts owed to fellow subsidiary undertakings and BOP (99 Bishopsgate) LLP (formerly Hammerson Bishopsgate Limited Liability Partnership) are repayable on demand and are non-interest bearing.

10. Share capital

	31 December 2012 £000	31 December 2011 £000
Allotted, called up and fully paid		
100,000,000 ordinary shares of £0.35 each (2011: 100,000,000)	<u>35,000</u>	<u>100,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. On 12 July 2012 share capital was reduced to £0.35 per share.

Notes to the financial statements *(continued)*

11. Reserves

Movements in reserves were as follows:

	Revaluation reserve £000	Profit and loss reserve £000	Total reserves £000
At 1 January 2011	(37,074)	23,906	(13,168)
Surplus arising on revaluation of investment properties	2,040	-	2,040
Profit for the year	-	9,194	9,194
At 31 December 2011	(35,034)	33,100	(1,934)
At 1 January 2012	(35,034)	33,100	(1,934)
Profit for the year	-	11,653	11,653
Reduction of share capital	-	65,000	65,000
Realised revaluation reserve	35,034	(35,034)	-
Dividend paid	-	(95,000)	(95,000)
At 31 December 2012	-	(20,281)	(20,281)

12. Advances, credit and guarantees

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

13. 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, other than those already disclosed

14. Ultimate controlling parties

The immediate parent company is BOP (99 Bishopsgate) Sarl, a company incorporated in Luxembourg. The Company's ultimate parent company is Brookfield Office Properties Inc, a company incorporated in Canada.

The largest and smallest group in which the results of the Company are consolidated is that headed by Brookfield Office Properties Inc. The consolidated financial statements of the ultimate parent company Brookfield Office Properties Inc can be obtained from www.brookfieldproperties.com

On 28 September 2012, the former parent Hammerson UK Properties plc transferred its full interest to BOP (99 Bishopsgate) Sarl. Under the former ownership the largest and smallest group in which the results of the Company were consolidated was headed by Hammerson UK Properties plc, a company registered at 10 Grosvenor Street, London W1K 4BJ. The former ultimate parent company was Hammerson UK Properties plc.