

Company Number: 06708083

HAMMERSON (GROSVENOR STREET) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2015



HAMMERSON (GROSVENOR STREET) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2015

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and consequently no Strategic Report has been prepared.

1. PRINCIPAL ACTIVITIES

The principal activity of the Company was property investment in the United Kingdom through its 50% ownership interest in The Grosvenor Street Limited Partnership. On 1 September 2014 the Company disposed of its investment in the Limited Partnership as the property was sold. It is the Directors' intention to formally dissolve the Company in the foreseeable future.

2. CHANGE IN ACCOUNTING FRAMEWORK

The Company has adopted Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") for the first time this year. In previous years, the Company had applied applicable UK accounting standards. The impact of this change is described in note 14.

3. RESULTS AND DIVIDENDS

The profit for the year after tax was £634,000 (2014: £5,369,000). The Directors do not recommend the payment of a dividend for the year (2014: £nil).

4. DIRECTORS

- (a) Mr. N.T. Drakesmith and Mr. R.G. Shaw were Directors of the Company throughout the year.
- (b) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- (c) No Director has any interests in contracts entered into by the Company.

5. SECRETARY

Hammerson Company Secretarial Limited was Secretary of the Company through the year.

6. INDEMNITY

The Company's ultimate parent company, Hammerson plc, has made qualifying third party indemnity provisions for the benefit of the Company's Directors which were in place throughout the year and which remain in place at the date of this report.

7. AUDITOR

Deloitte LLP 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.

HAMMERSON (GROSVENOR STREET) LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2015

8. PROVISION OF INFORMATION TO THE AUDITOR

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

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

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

By order of the Board



B. Lees
For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date: 26 September 2016

Registered Office:
Kings Place
90 York Way
London N1 9GE
Registered in England and Wales No. 06708083

HAMMERSON (GROSVENOR STREET) 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 Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"), 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 (GROSVENOR STREET) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (GROSVENOR STREET) LIMITED

We have audited the financial statements of Hammerson (Grosvenor Street) Limited for the year ended 31 December 2015, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

This report is made solely to the Company's sole member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's sole member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's sole member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 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.

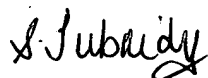
HAMMERSON (GROSVENOR STREET) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (GROSVENOR STREET) 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 from preparing a Strategic Report or in preparing the Directors' Report.



Sara Tubridy FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date: 27 September 2016

HAMMERSON (GROSVENOR STREET) LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
Investment Income	3	-	1,650
Profit on sale of investment	4	-	4,074
Net finance income/(costs)	5	<u>634</u>	<u>(355)</u>
Profit on ordinary activities before and after taxation and total comprehensive income for the financial year		<u>634</u>	<u>5,369</u>

All amounts derive from discontinued operations.

HAMMERSON (GROSVENOR STREET) LIMITED**BALANCE SHEET****As at 31 December 2015**

	Notes	2015		2014	
		£'000	£'000	£'000	£'000
Current assets					
Receivables	7	39,852		41,983	
Current liabilities					
Payables	8	-		(775)	
Net current assets			39,852		41,208
Provision for liabilities					
Other provision	9		-		(1,990)
Net assets			39,852		39,218
Capital and reserves					
Called up share capital	10		25,000		25,000
Retained earnings			14,852		14,218
Shareholder's equity			39,852		39,218

These financial statements were approved by the Board of Directors on 26 September 2016 and authorised for issue on 26 September 2016.

Signed on behalf of the Board of Directors



R.G. Shaw

Director

Company Number: 06708083

HAMMERSON (GROSVENOR STREET) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Called up share capital £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014				
- As previously stated	25,000	5,606	6,165	36,771
- Effect of restatement due to change in accounting framework (see note 14)	-	(5,606)	2,684	(2,922)
- As restated	25,000	-	8,849	33,849
Profit and other comprehensive income for the year	-	-	5,369	5,369
Balance at 31 December 2014	25,000	-	14,218	39,218
Profit and other comprehensive income for the year	-	-	634	634
Balance at 31 December 2015	25,000	-	14,852	39,852

HAMMERSON (GROSVENOR STREET) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current and preceding year, except as set out below.

(a) Basis of accounting

Basis of preparation

Hammerson (Grosvenor Street) Limited is a company 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 given on page 2.

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 prior year financial statements were prepared in accordance with previous UK GAAP and have been restated for material adjustments on adoption of FRS 101 in the current year. For more information see note 14.

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

Disclosure exemptions adopted

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

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

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hammerson plc into which the Company is consolidated. The financial statements of Hammerson plc can be obtained as described in note 13.

HAMMERSON (GROSVENOR STREET) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

(b) Going concern

The Company sold its investment in The Grosvenor Street Limited Partnership on 1 September 2014 as the property was sold. It is the Directors' intention to formally dissolve the Company in the foreseeable future. The financial statements have been prepared on a basis other than that of a going concern, which includes, where appropriate, writing down the Company's assets to net realisable value. Provision has also been made for any onerous contractual commitments at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such were committed at the balance sheet date.

(c) Net finance income

Net finance income includes interest payable on borrowings and interest receivable on funds invested.

(d) Investments

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

(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) 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.

(g) Critical accounting policies and estimation uncertainties

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

HAMMERSON (GROSVENOR STREET) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding Directors, was nil (2014: 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 £1,235 (2014: £1,235).

3. INVESTMENT INCOME

	2015 £'000	2014 £'000
Distribution receivable from The Grosvenor Street Limited Partnership	-	1,650

4. PROFIT ON SALE OF INVESTMENT

	2015 £'000	2014 £'000
Gross proceeds on sale	-	52,926
Cost of investment sold	-	(48,081)
Surplus over carrying value	-	4,845
Selling expenses	-	(771)
Profit on sale of investment	-	4,074

On 1 September 2014 the Company disposed of its investment in the Limited Partnership referred to in note 1(b) as the property had been sold.

5. NET FINANCE INCOME/(COSTS)

	2015 £'000	2014 £'000
Interest receivable/(payable) from/to ultimate parent company	634	(355)

HAMMERSON (GROSVENOR STREET) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

6. 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 2015 are £634,000 (2014: £626,000).

7. RECEIVABLES

	2015 £'000	2014 £'000
Amounts owed by ultimate parent company	39,852	39,993
Recoverable insurance claim due to party wall dispute (see note 9)	-	1,990
	<u>39,852</u>	<u>41,983</u>

All amounts shown under receivables fall due for payment within one year. Amounts owed by the ultimate parent company bear interest at variable rates based on LIBOR.

8. PAYABLES

	2015 £'000	2014 £'000
Amounts owed to immediate parent company	-	775

Amounts owed to the immediate parent company are repayable on demand and are non-interest bearing.

9. OTHER PROVISION

	2015 £'000	2014 £'000
Recoverable insurance claim due to party wall dispute	-	1,990

HAMMERSON (GROSVENOR STREET) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

10. SHARE CAPITAL

	2015 £'000	2014 £'000
Authorised:		
50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:		
25,000,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

11. 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
Retained earnings	The cumulative profits and losses recognised in retained earnings

12. ADVANCES, CREDIT AND GUARANTEES

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

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2015, 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 2015, 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.

14. EXPLANATION OF TRANSITION TO FRS 101

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 101 ("FRS 101") issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014.

Reconciliation of equity

The financial statements for the year ended 31 December 2014 included the financial statements of the Company together with the Company's share of assets and liabilities arising from joint arrangements. Hammerson (Grosvenor Street) Limited had an interest of 50% in the net assets of The Grosvenor Street Limited Partnership until 1 September 2014 when the company disposed of its investment in the Limited Partnership.

HAMMERSON (GROSVENOR STREET) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

14. EXPLANATION OF TRANSITION TO FRS 101 (continued)

Consequently, each of the financial statements headings within the 2014 balance sheet previously reported, included the Company's share of assets and liabilities of the Partnership. At 31 December 2014 the net assets of the Partnership were more than the total investment in the Partnership; therefore on a proportionally consolidated basis the Company's balance sheet reflected its share of this net asset position.

The financial statements for the year ended 31 December 2015 present the assets and liabilities of the Company only.

The effect on the Company's change in profit and equity are shown below:

Reconciliation of profit for the year ended 31 December 2014

	2014 £'000
Profit as previously reported in accordance with UK GAAP	2,375
Reversal of share of losses arising from joint arrangements	1,344
Distribution receivable from The Grosvenor Street Limited Partnership	<u>1,650</u>
Profit as reported in accordance with FRS 101	<u>5,369</u>

Reconciliation of equity as at 31 December 2014

	2014 £'000
Balance at 1 January	
- As previously reported in accordance with UK GAAP	39,146
- Reversal of share of revaluation gain arising from joint arrangements	(5,606)
- Reversal of share of retained earnings arising from joint arrangements	(11,991)
- Share of distributions from The Grosvenor Street Limited Partnership	<u>12,300</u>
- As restated	33,849
Profit for the year	<u>5,369</u>
Balance at 31 December as reported in accordance with FRS 101	<u>39,218</u>