

Company Number: 06708083

**HAMMERSON (GROSVENOR STREET) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2017



## **HAMMERSON (GROSVENOR STREET) LIMITED**

### **DIRECTORS' REPORT**

Year ended 31 December 2017

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

#### **1. PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENT**

The principal activity of Hammerson (Grosvenor Street) Limited (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 liquidate the Company formally in the foreseeable future.

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

The profit for the year after tax was £537,000 (2016: £611,000). The Directors do not recommend the payment of a dividend for the year (2016: £nil).

Net assets for the Company as at 31 December 2017 were £41,000,000 (2016: £40,463,000)

#### **3. 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.

#### **4. SECRETARY**

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

#### **5. 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 liquidate the Company formally in the foreseeable future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than that of a going concern. More information is provided in note 1(b) to the financial statements.

#### **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. AUDITORS**

PricewaterhouseCoopers LLP were appointed as auditors of the Company during the year and shall be deemed to be re-appointed as auditors for a further term under the provisions of section 487(2) of the Companies Act 2006.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

## HAMMERSON (GROSVENOR STREET) LIMITED

### DIRECTORS' REPORT (CONTINUED)

Year ended 31 December 2017

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

By order of the Board



**B. Lees**  
For and on behalf of  
Hammerson Company Secretarial Limited  
acting as Secretary  
Date: 11 April 2018

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

**HAMMERSON (GROSVENOR STREET) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAMMERSON (GROSVENOR STREET) LIMITED**

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Hammerson (Grosvenor Street) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1a to the financial statements concerning the basis of preparation. 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 liquidate the Company formally in the foreseeable future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1a to the financial statements. Adjustments were made in prior period financial statements to reduce assets to their realisable value.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

**HAMMERSON (GROSVENOR STREET) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAMMERSON (GROSVENOR STREET) LIMITED (CONTINUED)**

**Responsibilities for the financial statements and the audit**

*Responsibilities of the Directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Paul Cragg (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
11 April 2018

# **HAMMERSON (GROSVENOR STREET) LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME** **For the year ended 31 December 2017**

	<b>Notes</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Net finance income	3	<u>537</u>	<u>611</u>
Profit on ordinary activities before and after taxation and total comprehensive income for the financial year		<u>537</u>	<u>611</u>

All amounts derive from discontinued operations.

# HAMMERSON (GROSVENOR STREET) LIMITED

## BALANCE SHEET

As at 31 December 2017

	Notes	2017		2016	
		£'000	£'000	£'000	£'000
<b>Current assets</b>					
Receivables	5	<u>41,000</u>		<u>40,463</u>	
<b>Net current assets</b>			<u>41,000</u>		<u>40,463</u>
<b>Net assets</b>			<u>41,000</u>		<u>40,463</u>
<b>Capital and reserves</b>					
Called up share capital	6		<u>25,000</u>		<u>25,000</u>
Retained earnings	7		<u>16,000</u>		<u>15,463</u>
<b>Shareholder's equity</b>			<u>41,000</u>		<u>40,463</u>

These financial statements were approved by the Board of Directors on 11 April 2018 and authorised for issue on 11 April 2018.

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 2017**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
Balance at 1 January 2016	25,000	14,852	39,852
Profit and total comprehensive income for the year	<u>-</u>	<u>611</u>	<u>611</u>
Balance at 31 December 2016	25,000	15,463	40,463
Profit and total comprehensive income for the year	<u>-</u>	<u>537</u>	<u>537</u>
<b>Balance at 31 December 2017</b>	<b><u>25,000</u></b>	<b><u>16,000</u></b>	<b><u>41,000</u></b>



## HAMMERSON (GROSVENOR STREET) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

#### 1. ACCOUNTING POLICIES

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

##### (a) Basis of accounting

###### *Basis of preparation*

Hammerson (Grosvenor Street) Limited is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out on page 1. The address of the registered office is Kings Place, 90 York Way, London, N1 9GE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") as issued by the Financial Reporting Council and have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

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

###### *Disclosure exemptions adopted*

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments; Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities';
- Paragraph 38 of IAS1, 'Presentation of financial statements' – comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
  - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirements for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134 – 136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';

## HAMMERSON (GROSVENOR STREET) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

#### 1. ACCOUNTING POLICIES (continued)

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

- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS what has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hammerson plc into which the Company is consolidated. The financial statements of Hammerson plc can be obtained as described in note 9.

##### (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 liquidate the Company in the foreseeable future. Accordingly, the going concern basis of preparation is no longer appropriate and 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. 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 include interest payable on borrowings, net of interest capitalised, interest receivable on funds invested and interest receivable from group undertakings and is included within the statement of comprehensive income.

##### (d) 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.

##### (e) Borrowings

Borrowings are recognised initially at fair value, after taking account of any discount on issue and attributable transaction costs. Subsequently, borrowings are held at amortised cost, such that discounts and costs are charged to the statement of comprehensive income over the term of the borrowing at a constant return on the carrying value of the liability.

# HAMMERSON (GROSVENOR STREET) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

### 1. ACCOUNTING POLICIES (continued)

#### (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 subsequently carried at amortised cost using the effective interest method. 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. At 31 December 2017 the Directors do not believe there are any critical accounting policies or areas of estimation uncertainty.

### 2. ADMINISTRATION EXPENSES

The average number of employees during the year, excluding Directors, was nil (2016: nil).

The Directors did not receive any remuneration for their services from the Company in the year (2016: £nil), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of disclosure.

Another group company has paid the auditors' fees for the audit of the Company's annual financial statements in both the current and preceding financial year. Fees for the audit of the Company were £1,500 (2016: £1,298).

### 3. NET FINANCE INCOME

	2017 £'000	2016 £'000
Interest receivable from ultimate parent company	<u>537</u>	<u>611</u>

## HAMMERSON (GROSVENOR STREET) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

#### 4. TAXATION

The Company's ultimate parent company, Hammerson plc, is a UK Real Estate Investment Trust ("UK REIT"). As a consequence, its subsidiaries are exempted from UK corporation tax on the profits of a UK property rental business and on the gains on UK investment properties (including profits and gains from activities conducted via a limited partnership).

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 2017 are £537,000 (2016: £611,000).

#### 5. RECEIVABLES

	2017 £'000	2016 £'000
Amounts owed by ultimate parent company	<u>41,000</u>	<u>40,463</u>

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

#### 6. SHARE CAPITAL

	2017 £'000	2016 £'000
<b>Authorised:</b>		
50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid:</b>		
25,000,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

#### 7. 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	Cumulative profits and losses less any dividends paid

#### 8. ADVANCES, CREDIT AND GUARANTEES

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

## **HAMMERSON (GROSVENOR STREET) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2017

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

At 31 December 2017, 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 2017, 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.