

Company Number: 3335600

HAMMERSON ORACLE PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2008

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HAMMERSON ORACLE PROPERTIES LIMITED

REPORT OF THE DIRECTORS **Year ended 31 December 2008**

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is property development and investment in the United Kingdom. The directors do not anticipate any significant change in the principal activity in the foreseeable future.

The Company, as a small company, is exempt from the requirement to report an Enhanced Business Review as required by section 246 (1) of the Companies Act 1985.

2. RESULTS AND DIVIDEND

The profit for the year was £88,000 (2007: £95,000). The directors do not recommend the payment of a dividend (2007: £Nil).

3. BUSINESS REVIEW OF DEVELOPMENT AND FUTURE PROSPECTS

It is expected that the Company will continue to hold its 50% shareholding of Oracle Shopping Centre Limited, the general partner of the Oracle Limited Partnership.

The directors have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2008 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

4. DIRECTORS

- a) Mr. D.J. Atkins, Mr. P.W.B. Cole, and Mr. A.J.G. Thomson were directors of the Company throughout the year.
- b) Mr. J.M. Emery and Mr. R.J.G. Richards resigned as directors of the Company on 8 October 2008.
- c) Mr. A.J. Berger-North, Mr. N.A.S. Hardie, Mr. L.F. Hutchings and Mr. M. C. Jepson were appointed directors of the Company on 8 October 2008.
- d) In accordance with the Articles of Association of the Company, the directors are not required to retire by rotation.
- e) No director has any interests in contracts entered into by the Company.

5. SECRETARY

Mr. S.J. Haydon was Secretary of the Company throughout the year.

6. INDEMNITY

In accordance with section 236 of the Companies Act 2006, 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

The Company has elected to dispense with the obligations to appoint auditors annually and accordingly, Deloitte LLP 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.

Deloitte LLP have indicated their willingness to continue in office.

HAMMERSON ORACLE PROPERTIES LIMITED

REPORT OF THE DIRECTORS
Year ended 31 December 2008

8. PROVISION OF INFORMATION TO AUDITORS

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 auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

By order of the Board



S.J. Haydon
Secretary

Registered Office:
10 Grosvenor Street
London W1K 4BJ
Registered in England and Wales No. 3335600

30 JUN 2009

HAMMERSON ORACLE PROPERTIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON ORACLE PROPERTIES LIMITED

We have audited the financial statements of Hammerson Oracle Properties Limited for the year ended 31 December 2008 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 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's sole member, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON ORACLE
PROPERTIES LIMITED (CONTINUED)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

6 July 2009

HAMMERSON ORACLE PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2008**

	Notes	2008 £'000	2007 £'000
Gross rental income		145	145
Rents payable and other property outgoings		(27)	(23)
Net rental income	1(d)	118	122
Administration expenses	2	(4)	(4)
Operating profit		114	118
Interest receivable		3	2
Profit on ordinary activities before taxation		117	120
Taxation	3	(29)	(25)
Profit for the financial year	10	88	95
		=====	=====

All amounts are derived from continuing operations.

HAMMERSON ORACLE PROPERTIES LIMITED

BALANCE SHEET

As at 31 December 2008

	Notes	2008		2007	
		£'000	£'000	£'000	£'000
Fixed assets					
Land and buildings	4		2,169		2,719
Investments	5		-		-
			<u>2,169</u>		<u>2,719</u>
Current assets					
Debtors	6	883		770	
Cash and short-term deposits		17		12	
		<u>900</u>		<u>782</u>	
Total current assets					
Creditors: amounts falling due within one year	7	(205)		(180)	
		<u>-----</u>		<u>-----</u>	
Net current assets			695		602
			<u>-----</u>		<u>-----</u>
Total assets less current liabilities			2,864		3,321
Creditors: amounts falling due after more than one year	8		(1,156)		(1,156)
Provisions for liabilities					
Deferred tax	3		(47)		(45)
			<u>-----</u>		<u>-----</u>
Net assets			1,661		2,120
			<u>=====</u>		<u>=====</u>
Capital and reserves					
Called up share capital	9		1		1
Revaluation reserve	10		979		1,526
Profit and loss account	10		681		593
			<u>-----</u>		<u>-----</u>
Shareholder's funds			1,661		2,120
			<u>=====</u>		<u>=====</u>

The financial statements were approved by the Board on

30 JUN 2009

Signed on behalf of the Board of Directors



HAMMERSON ORACLE PROPERTIES LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
For the year ended 31 December 2008

	2008 £'000	2007 £'000
Profit for the financial year	88	95
Unrealised deficit on revaluation of properties	(547)	(97)
Total recognised gains and losses for the year	<u>(459)</u> =====	<u>(2)</u> =====

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2008

	2008 £'000	2007 £'000
Profit for the financial year	88	95
Unrealised deficit on revaluation of properties	(547)	(97)
Net decrease in shareholder's funds	<u>(459)</u>	<u>(2)</u>
Shareholder's funds at 1 January	2,120	2,122
Shareholder's funds at 31 December	<u>1,661</u> =====	<u>2,120</u> =====

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2008

1. ACCOUNTING POLICIES

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

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and other fixed asset investments in accordance with all applicable United Kingdom accounting standards.

(b) Going concern

The current economic conditions have created a number of uncertainties which are likely to affect the Company's future performance. The key risks relate to tenant default and property valuations which are closely monitored by the Directors. The financial position of the Company is as set out in the Balance Sheet.

The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and 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 it is included in the consolidated financial statements of Hammerson plc, which are publicly available.

(d) Joint arrangements

The financial statements include the financial statements of the Company together with the Company's share of results, assets, liabilities and cashflows arising from joint arrangements. The Company is exempt from the requirement to prepare group accounts, as it is a wholly owned subsidiary of Hammerson plc. The Company's results are included in the group accounts of Hammerson plc, a company incorporated in Great Britain and registered in England and Wales.. Hammerson Oracle Properties Limited has an interest of 50% in the profits and assets of Oracle Shopping Centre Limited.

(e) 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 ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2008

1. ACCOUNTING POLICIES (continued)

(f) 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 development property are capitalised. A property is regarded as being in the course of development until ready for its intended use.

(g) 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 1985, 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.

(h) Deferred tax

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.

2. ADMINISTRATION EXPENSES

The average number of employees during the period, excluding directors, was nil (2007: nil).

The directors did not receive any remuneration for services to the Company in the current or preceding financial years.

Another group company has paid the auditors' 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 £2,225 (2007: £1,995).

3. TAXATION

(a) Analysis of tax charge:

	2008 £'000	2007 £'000
Current tax		
UK Corporation tax	27	27
Deferred tax charge/(credit)	2	(3)
	-----	-----
Total tax charge	29	24
	=====	=====

The above reflects the Company's 50% shareholding in Oracle Shopping Centre Limited, the company that acts as general partner of the Oracle Limited Partnership. For tax purposes these profits are taxable in the general partner and not in Hammerson Oracle Properties Limited.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2008

3. TAXATION (continued)

(b) Factors affecting current tax charge

The corporation tax charge for the period differs from the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are reconciled below:

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	117	120
Profit at UK corporation tax rate of 28.5% (2007: 30%)	33	36
Effects of:		
Small companies' rate	(5)	(7)
Capital allowances	(1)	(2)
Current tax charge for the year	27	27

(c) Deferred tax

	2008 £'000	2007 £'000
The deferred tax provision is made up as follows:		
Capital allowances	47	45
Movement in the year:		
Opening deferred tax provision	45	48
(Credit)/charge in profit and loss account	2	(3)
Closing deferred tax provision	47	45

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2008

4. INVESTMENT PROPERTIES

	Long leasehold £'000
Movements in the year at valuation	
At 1 January 2008	2,719
Additions at cost	(3)
Deficit on revaluation of properties	(547)

At 31 December 2008	2,169
	=====

- (a) Property is stated at market value at 31 December 2008, 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 (the Standards) and with IVA 1 of the International Valuation Standards. In their valuation report, the valuers have noted, in accordance with Guidance Note 5 of the Standards, that the primary source of evidence for valuations should be recent, comparable market transactions on arms length terms. The current economic environment means that there have been few transactions for the types of property owned by the Company. Consequently, there is a greater degree of uncertainty in respect of the figures reported by the valuers. Until the number and consistency of comparable transactions increases, this situation is likely to remain. The deficit arising on revaluation has been transferred to the revaluation reserve.
- (b) Should the property be disposed of at the valuation shown, the Company's share of any resulting tax liability would not exceed £155,000 (2007: £330,000). No provision for this contingent liability has been made, as it is not expected that any liability will arise in the foreseeable future.
- (c) The historical cost of investment property at 31 December 2008 was £1,190,000 (2007: £1,322,500).

5. INVESTMENTS

	2008 £	2007 £
Shares in subsidiary company at cost and net book value	1	1
	=====	=====

Investments comprise Oracle Nominees Limited and Reading Residential Properties Limited, both of which are 50% owned and registered in England and Wales. The principal activity of Oracle Nominees Limited is as a nominee company. The principal activity of Reading Residential Properties Limited is property investment and development. Reading Residential Properties Limited had net assets of £1,615,000 at 31 December 2008 (2007: £2,930,000).

In the opinion of the directors, the value of the investment in subsidiary undertakings is not less than its carrying value in the balance sheet.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2008

6. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	19	40
Amounts owed by subsidiary company	19	15
Amounts owed by limited partners of the Oracle Limited Partnership	845	715
	-----	-----
	883	770
	=====	=====

Interest is received on the amounts owed by a subsidiary, Reading Residential Properties Limited, at variable rates based on LIBOR. All amounts shown under debtors fall due for payment within one year.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Trade creditors	2	2
Taxation	25	27
Amounts owed to limited partners of the Oracle Limited Partnership	144	117
Other creditors	6	7
Accruals and deferred income	28	27
	-----	-----
	205	180
	=====	=====

The balances owed to Hammerson Oracle Investments Limited, Hammerson Group Management Limited and Hammerson UK Properties plc are repayable on demand and are non-interest bearing.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £'000	2007 £'000
Unsecured loan	1,156	1,156
	=====	=====

Akaria Investments Limited and Hammerson plc jointly fund the unsecured loan. It is interest free and is repayable on winding up The Oracle Limited Partnership.

HAMMERSON ORACLE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2008

9. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised: 1,000 ordinary shares of £1 each	1,000 =====	1,000 =====
Called up, allotted and fully paid: 500 ordinary shares of £1 each	500 =====	500 =====

10. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2008	1,526	593
Profit for the financial year	-	88
Deficit on revaluation of property	(547)	-
	-----	-----
At 31 December 2008	979 =====	681 =====

11. RELATED PARTY DISCLOSURE

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose details of all of its related party transactions with other group companies. In the opinion of the directors there are no other related party transactions to be disclosed in the current or preceding financial year.

12. ULTIMATE CONTROLLING PARTIES

At 31 December 2008, 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 2008, 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.