

Company Number 3335600

**HAMMERSON ORACLE PROPERTIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2012

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## **HAMMERSON ORACLE PROPERTIES LIMITED**

### **REPORT OF THE DIRECTORS** **Year ended 31 December 2012**

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

#### **1      PRINCIPAL ACTIVITIES**

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

#### **2      RESULTS AND DIVIDENDS**

The profit for the year was £62,000 (2011: £75,000). The Directors do not recommend the payment of a dividend for the year (2011: nil).

#### **3      BUSINESS REVIEW 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 2012 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

#### **4      DIRECTORS**

- a) Mr A J Berger-North, Mr P W B Cole and Mr A J G Thomson were Directors of the Company throughout the year.
- b) Mr M Plocica was appointed Director of the Company on the 1 October 2012.
- c) Mr L F Hutchings resigned as a Director of the Company on 28 September 2012.
- 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**

- a) Hammerson Company Secretarial Limited was Secretary of the Company throughout 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.

**HAMMERSON ORACLE PROPERTIES LIMITED**

**REPORT OF THE DIRECTORS**

Year ended 31 December 2012

**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

**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    **12 SEP 2013**

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

## **HAMMERSON ORACLE PROPERTIES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- state whether applicable UK Accounting Standards 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. 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 ORACLE PROPERTIES LIMITED**

### **INDEPENDENT AUDITOR'S 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 2012 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the reconciliation of movements in shareholder's funds and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditor**

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 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.

#### **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 ORACLE PROPERTIES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON ORACLE PROPERTIES 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 in preparing the Directors' Report

*Ian Waller*

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

Date *23 September 2013*

# **HAMMERSON ORACLE PROPERTIES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2012

	<b>Notes</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Gross rental income		<b>159</b>	152
Rents payable and other property outgoings		<u><b>(21)</b></u>	<u>(33)</u>
Net rental income		<b>138</b>	119
Administration expenses	2	<u><b>(9)</b></u>	<u>(11)</u>
Operating profit		<b>129</b>	108
Net finance costs	3	<u><b>(53)</b></u>	<u>(11)</u>
Profit on ordinary activities before taxation		<b>76</b>	97
Taxation	4	<u><b>(14)</b></u>	<u>(22)</u>
Profit for the financial year	10	<u><b>62</b></u>	<u>75</u>

All amounts relate to continuing activities

# **HAMMERSON ORACLE PROPERTIES LIMITED**

## **BALANCE SHEET**

**As at 31 December 2012**

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investment properties	5	2,630	2,601
<b>Current assets</b>			
Debtors	6	1,282	1,187
Cash		<u>31</u>	<u>59</u>
<b>Total current assets</b>		<b>1,313</b>	<b>1,246</b>
<b>Current liabilities:</b>			
Creditors amounts falling due within one year	7	<u>(310)</u>	<u>(310)</u>
<b>Net current assets</b>		<b>1,003</b>	<b>936</b>
<b>Total assets less current liabilities</b>		<b>3,633</b>	<b>3,537</b>
Creditors amounts falling due after one year	8	(1,157)	(1,156)
<b>Provisions for liabilities</b>			
Deferred tax	4(b)	<u>(46)</u>	<u>(46)</u>
<b>Net assets</b>		<b>2,430</b>	<b>2,335</b>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Revaluation reserve	10	1,447	1,414
Profit and loss account	10	<u>982</u>	<u>920</u>
<b>Shareholder's funds</b>		<b>2,430</b>	<b>2,335</b>

These financial statements were approved by the Board of Directors on  
and authorised for issue on

12 SEP 2013

12 SEP 2013

Signed on behalf of the Board of Directors

  
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MANDY PLOCICA

Director  
Company Number: 3335600



**HAMMERSON ORACLE PROPERTIES LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**For the year ended 31 December 2012

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Profit for the financial year	<b>62</b>	75
Unrealised surplus on revaluation of properties	<u><b>33</b></u>	<u>188</u>
Total recognised gains and losses for the year	<u><b>95</b></u>	<u>263</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**For the year ended 31 December 2012

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Profit for the financial year	<b>62</b>	75
Unrealised surplus on revaluation of properties	<u><b>33</b></u>	<u>188</u>
Net increase in shareholder's funds	<b>95</b>	263
Shareholder's funds at 1 January	<u><b>2,335</b></u>	<u>2,072</u>
Shareholder's funds at 31 December	<u><b>2,430</b></u>	<u>2,335</u>

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2012

#### 1. ACCOUNTING POLICIES

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

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties in accordance with all applicable law and United Kingdom accounting standards, with the exception of the depreciation of investment properties as explained below

(b) Going concern

The current economic conditions have created a number of uncertainties which are likely to affect the Company's future performance. The 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 its cash flows are 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 registered in England and Wales. Hammerson Oracle Properties Limited has an interest of 50% in the profits and assets of Oracle Shopping Centre Limited.

## **HAMMERSON ORACLE PROPERTIES LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2012**

#### **1. ACCOUNTING POLICIES (continued)**

##### **(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.

##### **(f) Net finance costs**

Net finance costs include interest payable on borrowings and interest receivable on funds invested.

##### **(g) 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.

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2012

#### 1. ACCOUNTING POLICIES (continued)

##### (h) Investment properties

The property portfolio, which is carried in the balance sheet at fair value, is valued six-monthly by professionally qualified external valuers and the Directors must ensure that they are satisfied that the valuation of the Company's properties is appropriate for the accounts. Investment properties, excluding properties held for development, are valued by adopting the 'investment method' of valuation. This approach involves applying market-derived capitalisation yields to current and market-derived future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be the key inputs in the valuation. Other factors that are taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

In the case of ongoing developments, the approach applied is the 'residual method' of valuation, which is the investment method of valuation as described above with a deduction for all costs necessary to complete the development, together with a further allowance for remaining risk. Properties held for future development are generally valued by adopting the higher of the residual method of valuation allowing for all associated risks, or the investment method of valuation for the existing asset.

All changes in fair value are taken to the revaluation reserve and all costs directly associated with the purchase and construction of a property are capitalised.

##### (i) 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.

##### (j) Fixed asset investments

Investments in the Company's subsidiaries are stated at cost less provision for impairment.

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2012

#### 2 ADMINISTRATION EXPENSES

	2012 £'000	2011 £'000
Management fee payable to Hammerson UK Properties plc	<u>9</u>	<u>11</u>

The average number of employees during the year, excluding Directors, was nil (2011 nil)

The Directors did not receive any remuneration for services to the Company in either the current or the 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 £1,200 (2011 £1,200)

#### 3. NET FINANCE COSTS

	2012 £'000	2011 £'000
Interest payable on loans from related parties	(54)	(12)
Interest receivable from Reading Residential Properties Limited	<u>1</u>	<u>1</u>
	<u>(53)</u>	<u>(11)</u>

#### 4. TAXATION

##### (a) Analysis of tax charge

	2012 £'000	2011 £'000
Current tax		
UK Corporation tax	16	23
Adjustments in respect of prior years	<u>(2)</u>	<u>-</u>
Total current tax charge	14	23
Deferred tax credit	<u>-</u>	<u>(1)</u>
Total tax charge	<u>14</u>	<u>22</u>

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 2012

### 4. TAXATION (Continued)

#### (b) Deferred tax

	2012 £'000	2011 £'000
The deferred tax provision is made up as follows		
Capital allowances	<u>46</u>	<u>46</u>
Movement in the year		
Opening deferred tax provision	46	47
Adjustment due to change in tax rate	-	(2)
Current year provision	<u>-</u>	<u>1</u>
Closing deferred tax provision	<u>46</u>	<u>46</u>

### 5 INVESTMENT PROPERTIES

	Long leasehold £'000
The movement in the year on properties were	
At 1 January 2012	2,601
Additions at cost	2
Amortisation of lease incentives	(6)
Surplus arising on revaluation	<u>33</u>
At 31 December 2012	<u>2,630</u>

- (a) Properties are stated at market value at 31 December 2012, valued by professionally qualified external valuers, DTZ Debenham Tie Leung, Chartered Surveyors. The valuations have been prepared in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors and with IVA 1 of the International Valuation Standards. The surplus arising on revaluation has been transferred to the revaluation reserve.
- (b) The historical cost of investment properties at 31 December 2012 was £1,183,000 (2011 £1,187,000).
- (c) If the property was disposed of at the valuation shown, the Company's share of any resulting tax liability would not exceed £225,000 (2011 £260,000). No provision for this contingent liability has been made, as it is not expected to arise in the foreseeable future.

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2012

#### 6. DEBTORS

	2012 £'000	2011 £'000
Trade debtors	27	20
Amounts owed by Reading Residential Properties Limited	16	17
Amounts owed by the Limited Partners of The Oracle Limited Partnership	1,235	1,146
Other debtors and prepayments	4	4
	<u>1,282</u>	<u>1,187</u>

All amounts shown under debtors fall due for payment within one year. Amounts owed by a group undertaking, Reading Residential Properties Limited, bear interest at variable rates based on LIBOR. Amounts owed by the Limited Partners of The Oracle Limited Partnership are non-interest bearing.

#### 7. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade creditors	12	12
Taxation	16	23
Amounts owed to the Limited Partners of The Oracle Limited Partnership	244	223
Other creditors	7	7
Accruals and deferred income	31	45
	<u>310</u>	<u>310</u>

Amounts owed to the Limited Partners of The Oracle Limited Partnership are repayable on demand and are non-interest bearing.

#### 8. CREDITORS: FALLING DUE AFTER ONE YEAR

	2012 £'000	2011 £'000
Other creditors	1	-
Unsecured loan	1,156	1,156
	<u>1,157</u>	<u>1,156</u>

On 9 October 2011 the unsecured loans of Akaria Investments Limited and Hammerson plc were repaid. New loans were granted from Hammerson plc and Tamweelview European Holdings SA, a company wholly owned by the Akaria Investments Limited. The loans are repayable on the earlier of (a) 30 June 2016, or (b) the date the dissolution of The Oracle Limited Partnership. Interest is charged on the loans at a fixed rate of 4.6%.

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2012

#### 9. SHARE CAPITAL

	2012 £	2011 £
<b>Allotted, called up and fully paid.</b>		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

#### 10. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2012	1,414	920
Surplus on revaluation of properties	33	-
Profit for the financial year	<u>-</u>	<u>62</u>
At 31 December 2012	<u>1,447</u>	<u>982</u>

#### 11. ADVANCES, CREDIT AND GUARANTEES

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

#### 12. RELATED PARTY DISCLOSURE

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

#### 13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2012, 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 2012, 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