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Company Number 3335600

**HAMMERSON ORACLE PROPERTIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2009

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## **HAMMERSON ORACLE PROPERTIES LIMITED**

### **REPORT OF THE DIRECTORS**

Year ended 31 December 2009

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 £77,000 (2008: £88,000). The Directors do not recommend the payment of a dividend for the year (2008: £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 2009 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, Mr N A S Hardie, Mr L F Hutchings, Mr M C Jepson and Mr A J G Thomson were Directors of the Company throughout the year.
- b) Mr D J Atkins resigned as a Director of the Company on 1 October 2009.
- c) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- d) 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**

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 2009

**7     AUDITORS**

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

**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 a 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 418(2) of the Companies Act 2006

By order of the Board

  
S J Haydon  
Secretary

Date    **14 SEP 2010**

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

## **HAMMERSON ORACLE PROPERTIES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 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 2009 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. 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 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, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

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 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 (APB'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.

#### **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 2009 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 AUDITORS' 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



Georgina Robb (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

Date 15 Sept 2010

**HAMMERSON ORACLE PROPERTIES LIMITED****PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2009**

	<b>Notes</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Gross rental income		<b>149</b>	<b>145</b>
Rents payable and other property outgoings		<b><u>(36)</u></b>	<b><u>(27)</u></b>
Net rental income		<b>113</b>	<b>118</b>
Administration expenses	<b>2</b>	<b><u>(16)</u></b>	<b><u>(4)</u></b>
Operating profit		<b>97</b>	<b>114</b>
Net finance income		<b><u>1</u></b>	<b><u>3</u></b>
Profit on ordinary activities before taxation		<b>98</b>	<b>117</b>
Taxation	<b>3</b>	<b><u>(21)</u></b>	<b><u>(29)</u></b>
Profit for the financial year	<b>10</b>	<b><u>77</u></b>	<b><u>88</u></b>

All amounts relate to continuing activities

# HAMMERSON ORACLE PROPERTIES LIMITED

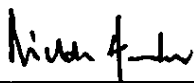
## BALANCE SHEET

As at 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investment Properties	4	2,057	2,169
<b>Current assets</b>			
Debtors	5	980	883
Cash and short-term deposits		31	17
<b>Total current assets</b>		1,011	900
<b>Current liabilities:</b>			
Creditors amounts falling due within one year	6	(235)	(205)
<b>Net current assets</b>		776	695
<b>Total assets less current liabilities</b>		2,833	2,864
Creditors amounts falling due after one year	7	(1,156)	(1,156)
<b>Provisions for liabilities</b>			
Deferred tax	3(c)	(48)	(47)
<b>Net assets</b>		1,629	1,661
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Revaluation reserve	10	870	979
Profit and loss account	10	758	681
<b>Shareholder's funds</b>		1,629	1,661

These financial statements were approved by the Board of Directors on 14 SEP 2010

Signed on behalf of the Board of Directors

  
 N.A.S. Hardie  
 Director

Company Number 3335600



# **HAMMERSON ORACLE PROPERTIES LIMITED**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 31 December 2009

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
Profit for the financial year	<b>77</b>	<b>88</b>
Unrealised deficit on revaluation of properties	<u><b>(109)</b></u>	<u><b>(547)</b></u>
Total recognised losses for the year	<u><b>(32)</b></u>	<u><b>(459)</b></u>

## **RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

For the year ended 31 December 2009

	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
Profit for the financial year	<b>77</b>	<b>88</b>
Unrealised deficit on revaluation of properties	<u><b>(109)</b></u>	<u><b>(547)</b></u>
Net decrease in shareholder's funds	<b>(32)</b>	<b>(459)</b>
Shareholder's funds at 1 January	<u><b>1,661</b></u>	<u><b>2,120</b></u>
Shareholder's funds at 31 December	<u><b>1,629</b></u>	<u><b>1,661</b></u>

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2009

#### **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 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

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2009

#### 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) 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.

##### (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 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.

##### (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.

##### (i) Fixed assets 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 2009

#### **2 ADMINISTRATION EXPENSES**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Management fee payable to Hammerson UK Properties plc	<b>16</b>	<b>4</b>
	<hr/>	<hr/>
	<b>16</b>	<b>4</b>

The average number of employees during the period, excluding directors, was nil (2008 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 (2008 £1,995)

#### **3. TAXATION**

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

	<b>2009 £'000</b>	<b>2008 £'000</b>
Current tax		
UK Corporation tax	<b>23</b>	<b>27</b>
Adjustments in respect of prior periods	<b>(2)</b>	<b>-</b>
	<hr/>	<hr/>
Total current tax charge	<b>21</b>	<b>27</b>
Deferred tax charge	<b>1</b>	<b>2</b>
	<hr/>	<hr/>
Total tax charge	<b>22</b>	<b>29</b>

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 2009

### 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% (2008 28 5%) The differences are reconciled below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	<u>98</u>	<u>117</u>
Profit at UK corporation tax rate of 28 5% (2008 30%)	28	33
Effects of		
Small companies' rate	(4)	(5)
Capital allowances	(1)	(1)
Adjustments in respect of prior periods	<u>(2)</u>	<u>-</u>
Current tax charge for the year	<u>21</u>	<u>27</u>

#### (c) Deferred tax

	2009 £'000	2008 £'000
The deferred tax provision is made up as follows		
Capital allowances	<u>48</u>	<u>47</u>
Movement in the year		
Opening deferred tax provision	47	45
Charge in profit and loss account	<u>1</u>	<u>2</u>
Closing deferred tax provision	<u>48</u>	<u>47</u>

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2009

#### 4. INVESTMENT PROPERTIES

	Long leasehold £'000
The movement in the year on properties were	
At 1 January 2009	2,169
Additions at cost	(3)
Deficit arising revaluation	<u>(109)</u>
At 31 December 2009	<u>2,057</u>

- (a) Properties is stated at market value at 31 December 2009, 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 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 £125,000 (2008 £155,000). 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 2009 was £1,187,000 (2008 £1,190,000).

#### 5. DEBTORS

	2009 £'000	2008 £'000
Trade debtors	10	19
Amounts owed by Reading Residential Properties Limited	18	19
Amounts owed by limited partners of the Oracle Limited Partnership	<u>952</u>	<u>845</u>
	<u>980</u>	<u>883</u>

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.

## HAMMERSON ORACLE PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2009

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

	2009 £'000	2008 £'000
Trade creditors	1	2
Taxation	18	25
Amounts owed to limited partners of the Oracle Limited Partnership	173	144
Other creditors	5	6
Accruals and deferred income	38	28
	<u>235</u>	<u>205</u>

The balances owed to the limited partners of the Oracle Limited Partnership are repayable on demand and are non-interest bearing

#### 7. CREDITORS: FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
Unsecured loan	<u>1,156</u>	<u>1,156</u>

The partners of the Oracle Limited Partnership jointly fund the unsecured loan. It is interest free and is repayable on winding up The Oracle Limited Partnership.

#### 8. SHARE CAPITAL

	2009 £	2008 £
<b>Allotted, called up and fully paid:</b>		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

#### 9. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2009	979	681
Profit for the financial year	-	77
Deficit on revaluation of properties	<u>(109)</u>	<u>-</u>
At 31 December 2009	<u>870</u>	<u>758</u>

## **HAMMERSON ORACLE PROPERTIES LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2009**

#### **10. ADVANCES, CREDIT AND GUARANTEES**

The Company has granted no credits, advances or guarantees of any kind to the Directors throughout the year

#### **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 PARENT COMPANY AND CONTROLLING PARTY**

At 31 December 2009, 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 2009, 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