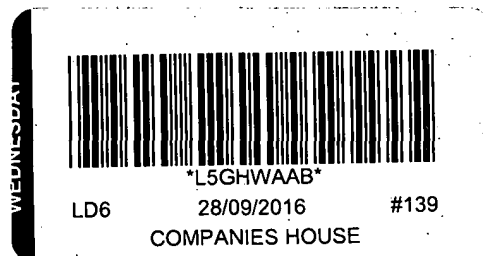


Company Number: 4125216

HAMMERSON OPERATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2015



HAMMERSON OPERATIONS LIMITED

REPORT OF THE DIRECTORS

Year ended 31 December 2015

1. PRINCIPAL ACTIVITIES

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

2. CHANGE IN ACCOUNTING FRAMEWORK

The Company has adopted Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") for the first time this year. In previous years, the Company had applied applicable UK accounting standards. There has been no impact on the figures reported in these financial statements as a result of this change.

3. RESULTS AND DIVIDENDS

The profit for the year after tax was £992,000 (2014: £1,068,000). The Directors do not recommend the payment of a dividend for the year (2014: £nil).

4. DIRECTORS

- a) Mr. A.J. Berger-North, Mr. P.W.B. Cole and Mr. M. Plocica were Directors of the Company throughout the year.
- b) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- c) No Director has any interests in contracts entered into by the Company.

5. SECRETARY

Hammerson Company Secretarial Limited was Secretary of the Company 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.

7. AUDITOR

Deloitte LLP shall be deemed to be re-appointed as auditor for a further term and have under the provisions of section 487(2) of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office.

HAMMERSON OPERATIONS LIMITED

REPORT OF THE DIRECTORS (continued)
Year ended 31 December 2015

8. PROVISION OF INFORMATION TO THE AUDITOR

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

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

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

By order of the Board



B. Lees
For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date: 27 September 2016

Registered Office:
Kings Place
90 York Way
London N1 9GE
Registered in England and Wales No 4125216

HAMMERSON OPERATIONS LIMITED

STRATEGIC REPORT

Year ended 31 December 2015

BUSINESS REVIEW AND FUTURE PROSPECTS

It is expected that the Company will continue to manage and administer property activities on behalf of Hammerson UK Properties plc and its subsidiaries in the United Kingdom.

The Directors have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2015 and concluded that it was appropriate. More information is provided in note 1(b) to the financial statements.

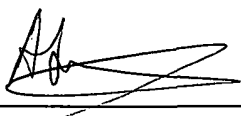
The Directors consider the following measures to be the key performance indicators for the Company: fee income and profit on ordinary activities before taxation.

During 2015 the Company generated fee income of £4,541,000 (2014: £4,410,000) from service charges and by providing services to properties owned by Hammerson UK Properties plc subsidiaries and certain joint ventures.

The Company incurs costs on behalf of fellow group companies and recharges these companies at cost, therefore economic conditions have minimal impact on the Company.

There are no significant risks and uncertainties facing the Company.

Signed on behalf of the Board of Directors

A handwritten signature in black ink, appearing to be 'A.J. Berger-North', written over a horizontal line.

A.J. Berger-North
Director

Date: 27 September 2016

HAMMERSON OPERATIONS 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 Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"), and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Directors' Report, the Directors have complied with S414C(11) of the Companies Act 2006 by including certain disclosures required by S416(4) within the Strategic Report.

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 OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON OPERATIONS LIMITED

We have audited the financial statements of Hammerson Operations Limited for the year ended 31 December 2015, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 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), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

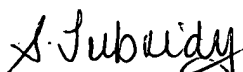
HAMMERSON OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON OPERATIONS 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.



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

HAMMERSON OPERATIONS LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2015**

	Note	2015 £'000	2014 £'000
Management fees receivable	2	11,274	10,934
Administration expenses	3(a)	<u>(10,544)</u>	<u>(10,080)</u>
Operating profit		730	854
Net finance income	4	<u>262</u>	<u>214</u>
Profit on ordinary activities before and after taxation and total comprehensive income for the financial year		<u>992</u>	<u>1,068</u>

All amounts relate to continuing activities.

HAMMERSON OPERATIONS LIMITED

BALANCE SHEET

As at 31 December 2015

	Note	2015 £'000	2014 £'000
Tangible fixed assets			
Plant and equipment	6	220	-
Current assets			
Receivables	7	19,038	16,093
Restricted monetary assets	8	44	341
Cash		-	15
		<u>19,082</u>	<u>16,449</u>
Current liabilities			
Payables	9	(8,916)	(7,208)
Bank overdraft		(153)	-
		<u>(9,069)</u>	<u>(7,208)</u>
Net current assets		<u>10,013</u>	<u>9,241</u>
Net assets		<u>10,233</u>	<u>9,241</u>
Capital and reserves			
Called up share capital	10	-	-
Retained earnings		<u>10,233</u>	<u>9,241</u>
Shareholder's equity		<u>10,233</u>	<u>9,241</u>

These financial statements were approved by the Board of Directors on 27 September 2016 and authorised for issue on 27 September 2016.

Signed on behalf of the Board of Directors



A.J. Berger-North
Director

Company Number: 4125216

HAMMERSON OPERATIONS LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2015

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014	-	8,173	8,173
Profit and other comprehensive income for the year	-	1,068	1,068
Balance at 31 December 2014	-	9,241	9,241
Profit and other comprehensive income for the year	-	992	992
Balance at 31 December 2015	-	10,233	10,233

HAMMERSON OPERATIONS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

1. ACCOUNTING POLICIES

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

(a) Basis of accounting

Basis of preparation

Hammerson Operations Limited is a company incorporated in the United Kingdom under the Companies Act. The nature of the Company's operations and its principal activities are set out on page 1. The address of the registered office is given on page 2.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") as issued by the Financial Reporting Council. The prior year financial statements were prepared in accordance with previous UK GAAP. There have been no material adjustments to the figures presented within these financial statements on adoption of FRS 101.

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

Disclosure exemptions adopted

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

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

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

(b) Going concern

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 financial statements.

HAMMERSON OPERATIONS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

(c) 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.

(d) 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.

(e) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(f) Employee benefits- defined contribution pension plans

Obligations for contributions to defined contribution pension plans are charged to the statement of comprehensive income as incurred.

(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.

(h) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation. Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life, which is generally between three and five years.

2. MANAGEMENT FEES RECEIVABLE

The company receives fees for providing management services to properties owned by Hammerson UK Properties plc and its subsidiaries and certain joint ventures. All fees are derived in the United Kingdom.

HAMMERSON OPERATIONS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

3. ADMINISTRATION EXPENSES

	2015 £'000	2014 £'000
(a) Administration expenses:		
Staff costs (note 3(b))	6,311	7,889
Management fee payable to fellow group company	2,041	-
Total staff costs	8,352	7,889
Other costs	2,192	2,191
	10,544	10,080

The Directors did not receive any remuneration for services to the Company in either the current or preceding financial year.

Of the total staff costs £6,733,000 (2014: £6,524,000) was recharged to tenants and has been treated as management fee income.

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 £5,253 (2014: £5,150).

	2015 £'000	2014 £'000
(b) Staff costs:		
Wages and salaries	4,820	5,793
Performance-related bonuses payable in cash	552	946
	5,372	6,739
Social security costs	631	801
Other pension costs	308	349
	6,311	7,889

(c) The average number of persons employed by the Company during the year was:

	2015 Number	2014 Number
Administrative staff	132	155

HAMMERSON OPERATIONS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

4. NET FINANCE INCOME

	2015 £'000	2014 £'000
Interest receivable from ultimate parent company	263	215
Other interest receivable	2	3
Other interest payable	(3)	(4)
	<u>262</u>	<u>214</u>

5. TAXATION

The Company has no tax charge for the year, and this is expected to continue for the foreseeable future. Profits covered by group relief surrendered for no charge, for the year ended 31 December 2015 are £2,788,000 (2014: £1,068,000).

6. PLANT AND EQUIPMENT

The movements in the year were:

	Cost £'000	Depreciation £'000	Net book value £'000
At 1 January 2015	-	-	-
Additions in the year	227	-	227
Depreciation for the year	-	(7)	(7)
At 31 December 2015	<u>227</u>	<u>(7)</u>	<u>220</u>

7. RECEIVABLES: CURRENT ASSETS

	2015 £'000	2014 £'000
Trade receivables	3,542	3,870
Amounts owed by ultimate parent company	15,414	12,147
Amounts owed by Croydon Limited Partnership	64	64
Amounts owed by immediate parent company	-	1
Other receivables	18	11
	<u>19,038</u>	<u>16,093</u>

All amounts shown under receivables fall due for payment within one year. Amounts owed by the ultimate parent company bear interest at variable rates based on LIBOR. Amounts owed by the Croydon Limited Partnership, a fellow group undertaking and the immediate parent company are repayable on demand and are non-interest bearing.

HAMMERSON OPERATIONS LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2015

8. RESTRICTED MONETARY ASSETS

	2015 £'000	2014 £'000
Cash held on behalf of third parties	<u>44</u>	<u>341</u>

The Company holds deposits on behalf of its customers, which therefore has restricted use and as such, does not meet the definition of cash and cash equivalents. The balance of £341,000 held at 31 December 2014 had previously been included within cash and has been reclassified to restricted monetary assets in the current year.

9. PAYABLES: CURRENT LIABILITIES

	2015 £'000	2014 £'000
Trade payables	728	740
Amounts owed to fellow subsidiary undertakings	2,763	2,494
Deferred income	2,905	-
Other payables and accruals	<u>2,520</u>	<u>3,974</u>
	<u>8,916</u>	<u>7,208</u>

Amounts owed to fellow subsidiary undertakings are repayable on demand and are non-interest bearing.

10. SHARE CAPITAL

	2015 £	2014 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. RESERVES

The following describes the nature and purpose of each reserve within equity:

<u>Reserve</u>	<u>Description and purpose</u>
Share capital	Nominal value of share capital subscribed for
Retained earnings	The cumulative profits and losses recognised in retained earnings

HAMMERSON OPERATIONS LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2015**

12. ADVANCES, CREDIT AND GUARANTEES

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

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2015, the Company's ultimate parent company was Hammerson plc, which is registered in England and Wales and is the largest and smallest group to consolidate these financial statements. At 31 December 2015, the Company's immediate parent company was Hammerson UK Properties plc.

The consolidated financial statements of the ultimate parent company, Hammerson plc, are available from that company's registered office, Kings Place, 90 York Way, London N1 9GE.