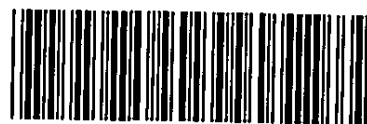


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Company Number 4789699

**HAMMERSON (PADDINGTON) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2011

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## **HAMMERSON (PADDINGTON) LIMITED**

### **REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2011

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 and development 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 loss for the year after tax was £153,000 (2010 £3,422,000). The Directors do not recommend the payment of a dividend for the year (2010 £nil).

#### **3 BUSINESS REVIEW AND FUTURE PROSPECTS**

The land at Paddington Triangle was subject to a Compulsory Purchase Order (CPO) by the Secretary of State as part of the Crossrail project. A provisional offer was made in 2010 which is still under negotiation, but these accounts have been prepared on the basis of that offer.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net liability position on the balance sheet as at 31 December 2011 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 L F Hutchings and Mr A J G Thomson were Directors of the Company throughout the year.
- b) Mr M C Jepson resigned as a Director of the Company on 31 July 2011.
- c) Mr N A S Hardie resigned as a Director of the Company on 14 October 2011.
- 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) Mr S J Haydon resigned as Secretary of the Company on 22 September 2011.
- (b) Hammerson Company Secretarial Limited was appointed as Secretary of the Company on 23 September 2011.

#### **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 (PADDINGTON) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2011

**7      AUDITOR**

BDO 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

BDO 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



R S Booth  
For and on behalf of  
Hammerson Company Secretarial Limited  
acting as Secretary

Date **01 AUG 2012**

Registered Office  
10 Grosvenor Street  
London W1K 4BJ  
Registered in England and Wales No 4789699

## **HAMMERSON (PADDINGTON) 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,
- 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 (PADDINGTON) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (PADDINGTON) LIMITED**

We have audited the financial statements of Hammerson (Paddington) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet 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 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 (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **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 2011 and of its loss 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.

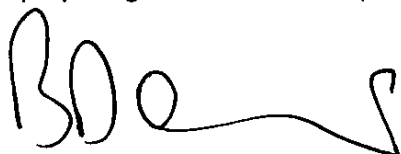
**HAMMERSON (PADDINGTON) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (PADDINGTON) 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



Russell Field (Senior Statutory Auditor)  
for and on behalf of BDO LLP, Statutory Auditor  
Epsom, United Kingdom

Date **01 AUG 2012**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# HAMMERSON (PADDINGTON) LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Administration expenses	2	<u>(50)</u>	<u>(87)</u>
Operating loss		(50)	(87)
Loss on compulsory purchase of development properties	3	<u>(103)</u>	<u>(3,238)</u>
Loss on ordinary activities before net finance costs		(153)	(3,325)
Net finance costs	4	<u>-</u>	<u>(97)</u>
Loss on ordinary activities before and after taxation for the financial year	9	<u>(153)</u>	<u>(3,422)</u>

All amounts relate to continuing activities

There are no other recognised gains and losses in the current or preceding years and therefore no separate statement of total recognised gains and losses has been presented

There have been no movements in shareholder's deficit during the current and preceding years other than the above loss for that year. Therefore no separate statement of movements in shareholder's deficit has been presented

# HAMMERSON (PADDINGTON) LIMITED


## BALANCE SHEET

As at 31 December 2011

	Notes	2011 £'000	2010 £'000
<b>Current assets</b>			
Debtors	6	1,486	2,000
Cash		-	8
<b>Total current assets</b>		<b>1,486</b>	<b>2,008</b>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	7	(7,772)	(8,141)
<b>Net current liabilities</b>		<b>(6,286)</b>	<b>(6,133)</b>
<b>Net liabilities</b>		<b>(6,286)</b>	<b>(6,133)</b>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	(6,286)	(6,133)
<b>Shareholder's deficit</b>		<b>(6,286)</b>	<b>(6,133)</b>

These financial statements were approved by the Board of Directors on **01 AUG 2012** and authorised for issue on **01 AUG 2012**

Signed on behalf of the Board of Directors

  
Andrew Beger-Nurk  
Director  
Company Number: 4789699



## HAMMERSON (PADDINGTON) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 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 in accordance with all applicable law and 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 financial position of the Company is as set out in the Balance Sheet

The Company has net liabilities as at 31 December 2011 and is reliant on the support of its ultimate parent company, Hammerson plc, to be able to meet its liabilities as they fall due. The Directors consider that the Company is an integral part of Hammerson plc's structure and strategy and this is evidenced by a letter of support from Hammerson plc, which states its intent to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the 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) 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

##### (e) Profits on sale of properties

Profits on sale of properties are taken into account on completion of contract, and are calculated by reference to the carrying value at the end of the previous year, adjusted for subsequent capital expenditure

## HAMMERSON (PADDINGTON) LIMITED

### NOTES TO THE ACCOUNTS Year ended 31 December 2011

#### 2. ADMINISTRATION EXPENSES

	2011 £'000	2010 £'000
Management fee paid to Hammerson UK Properties plc	50	13
Provision for management fee owed by Joint Trustee	-	74
	<u>50</u>	<u>87</u>

The average number of employees during the year, excluding Directors, was nil (2010 nil)

The Directors did not receive any remuneration for services to the Company in either the current or 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 £1,400 (2010 £1,400)

#### 3. LOSS ON COMPULSORY PURCHASE OF DEVELOPMENT PROPERTIES

	2011 £'000	2010 £'000
Gross proceeds per CPO	-	1,000
Historic cost of properties sold	-	(5,782)
Historic cost loss	-	(4,782)
Valuation deficit realised	-	1,544
Deficit over carrying value	-	(3,238)
Selling expenses	(103)	-
Loss on compulsory purchase of development properties	<u>(103)</u>	<u>(3,238)</u>

#### 4. NET FINANCE COSTS

	2011 £'000	2010 £'000
Interest payable to ultimate parent company	<u>-</u>	<u>97</u>

## HAMMERSON (PADDINGTON) LIMITED

### NOTES TO THE ACCOUNTS

Year ended 31 December 2011

#### 5. TAXATION

The Company's ultimate parent company, Hammerson plc, is taxed as a UK Real Estate Investment Trust ("UK REIT") and, as a consequence, group companies are exempted from UK corporation tax on the profits of a UK property rental business and on the gains on UK investment properties

Group companies remain subject to UK corporation tax on items other than UK property rental profits and gains on UK investment properties but, as the Group has surplus tax losses, the Group's policy is for these taxable profits and losses to be fully offset by group relief surrendered without payment, so that individual subsidiaries do not bear tax

The Company therefore had no tax charge for the year, and this is expected to continue for the foreseeable future Profits covered by group relief for the year ended 31 December 2011 are £nil (2010 £nil)

#### 6. DEBTORS

	2011 £'000	2010 £'000
Amounts owed by fellow subsidiary undertakings	-	3
Other debtors	1,486	1,997
	<u>1,486</u>	<u>2,000</u>

All amounts shown under debtors fall due for payment within one year Amounts owed by fellow subsidiary undertakings are non-interest bearing

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

	2011 £'000	2010 £'000
Trade creditors	-	25
Amounts owed to the ultimate parent company	7,067	7,201
Amounts owed to fellow subsidiary undertakings	60	51
Other creditors	645	864
	<u>7,772</u>	<u>8,141</u>

Amounts owed to the ultimate parent company and fellow subsidiary undertakings are repayable on demand and are non-interest bearing

#### 8 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

## **HAMMERSON (PADDINGTON) LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2011**

#### **9. RESERVES**

	<b>Profit and loss account £'000</b>
At 1 January 2011	(6,133)
Loss for the financial year	<u>(153)</u>
At 31 December 2011	<u><b>(6,286)</b></u>

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

The Company did not grant any credits, advances or guarantees of any kind to its Directors during 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 2011, 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 2011, 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