

Company Number 6654800

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2011



HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

REPORT OF THE DIRECTORS **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 to hold investments in companies relating to Value Retail plc. 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 £1,353,000 (2010 loss £354,000). The Directors do not recommend the payment of a dividend (2010 nil).

3 BUSINESS REVIEW AND FUTURE PROSPECTS

In December 2011 the Company acquired further investment in Value Retail (see note 5b) and it is expected that the Company will continue to hold its investments for the foreseeable future.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the net current 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) Mr N T Drakesmith was appointed as a Director of the Company on 15 March 2012.
- e) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.
- f) 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.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

REPORT OF THE DIRECTORS
Year ended 31 December 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

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



R S Booth
For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date **25 SEP 2012**

Registered Office
10 Grosvenor Street
London W1K 4BJ
Registered in England and Wales No 6654800

HAMMERSON (VALUE RETAIL INVESTMENTS) 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 (VALUE RETAIL INVESTMENTS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

We have audited the financial statements of Hammerson (Value Retail Investments) Limited for the year ended 31 December 2011 which comprise of the profit and loss account, the balance sheet, 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 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 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 (VALUE RETAIL INVESTMENTS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SOLE MEMBER OF HAMMERSON (VALUE RETAIL INVESTMENTS) 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

26 September 2012

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2011

	Notes	2011 £'000	2010* Restated £'000
Impairment of fixed asset investments		(1,178)	(192)
Loss on ordinary activities before net finance costs		<u>(1,178)</u>	<u>(192)</u>
Net finance cost	3	<u>(175)</u>	<u>(162)</u>
Loss on ordinary activities before and after taxation for the financial year	9	<u>(1,353)</u>	<u>(354)</u>

*Restated for accounting adjustment (see note 1(a))

All amounts derive from continuing activities

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

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

BALANCE SHEET

As at 31 December 2011

	Notes	2011		2010*	
		£'000	£'000	Restated £'000	£'000
Tangible fixed assets					
Investment	5		43,420		11,684
Current assets					
Debtors	6	<u>153</u>		<u>-</u>	
Total current assets		153		-	
Current liabilities					
Creditors amounts falling due within one year	7	<u>(40,519)</u>		<u>(7,277)</u>	
Net current liabilities			(40,366)		(7,277)
Net assets			<u>3,054</u>		<u>4,407</u>
Capital and reserves					
Called up share capital	8		5,000		5,000
Profit and loss account	9		<u>(1,946)</u>		<u>(593)</u>
Shareholder's funds			<u>3,054</u>		<u>4,407</u>

*Comparative figures for investments, debtors, creditors falling due within one year and profit and loss reserve have been amended (see note 1(a))

These financial statements were approved by the Board of Directors on **25 SEP 2012** and authorised for issue **25 SEP 2012**

Signed on behalf of the Board of Directors


ANDREW BERGER-NORTH
 Director

Company Number. 6654800

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2011

	2011	2010*
	£'000	Restated £'000
Loss for the financial year	<u>(1,353)</u>	<u>(354)</u>
Net decrease in shareholder's funds	(1,353)	(354)
Shareholder's funds at 1 January 2011	<u>4,407</u>	<u>4,761</u>
Shareholder's funds at 31 December 2011	<u>3,054</u>	<u>4,407</u>

*Restated for accounting adjustment (see note 1(a))

HAMMERSON (VALUE RETAIL INVESTMENTS) 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 year and preceding year

(a) Basis of preparation

On review of the governing documents the comparative figures have been restated to reflect the reversal of the accrued interest for the period 20 October 2008 to 31 December 2010, the impairment of investments and the impact of the foreign exchange translation difference arising on the loan interest accrued. In addition funds advanced from investments have been reclassified to deferred income and the interest debtor on acquisition has been reclassified to investment cost.

As a result, comparative figures for the year ended 31 December 2010 have been adjusted as follows

	Investments £'000	Debtors £'000	Creditors £'000	Profit/(Loss) Of the year £'000	Net assets £'000
As previously reported	7,332	4,348	(5,229)	357	6,451
Reversal of accrued interest	-	(1,621)	-	(540)	(1,621)
Impairment of investment	(193)	-	-	(193)	(193)
Foreign exchange difference	-	140	-	140	140
Other reclassifications	4,545	(2,867)	(2,048)	(118)	(370)
	4,352	(4,348)	(2,048)	(711)	(2,044)
As restated	11,684	-	(7,277)	(354)	4,407

(b) 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

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)

(c) 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 current 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.

(d) 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.

(e) Fixed asset investments

Fixed asset investments are stated at the balance sheet date at the lower of cost and net realisable value.

(f) Deferred income

Deferred income represents profit distributions advanced from investments.

(g) Net finance cost

Net finance costs includes interest payable on intra-group borrowings.

(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.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

2. ADMINISTRATION EXPENSES

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 year or the preceding financial year

Another group company has paid the auditor's fees for the audit of the Company's annual accounts in the current year and preceding financial year. Fees for the audit of the Company were £2,700 (2010 £2,225)

3. NET FINANCE COSTS

	2011 £'000	2010 £'000
Interest payable to ultimate parent company	<u>(175)</u>	<u>(162)</u>

4. TAXATION

The Company has no tax charge for the year, and this is expected to continue for the foreseeable future. Losses surrendered as group relief, for no charge, for the year ended 31 December 2011, are £175,000 (2010 as restated £162,000)

5. INVESTMENT

(a) The movements in the year were

	Cost less provision for impairment Restated £'000
At 1 Jan 2011 as previously stated	7,332
Effect of prior year adjustment	4,352
At 1 January 2011 restated	<u>11,684</u>
Additions at cost	32,914
Impairment of investments	(1,178)
At 31 December 2011	<u>43,420</u>

(b) Investments represent loans to and investments in companies related to Value Retail plc, all of which are denominated in euros. In December 2011 the Company acquired further interest in Value Retail group entities which hold interest in five of the group's designer outlets in continental Europe, for a total consideration of £32,914,000

(c) As at 31 December 2011 the investments were impaired by 1,370,000 (2010 192,000)

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

6 DEBTORS

	2011	2010*
	£'000	Restated £'000
Loan interest receivable	-	-
Other debtors	153	-
	<u>153</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year

7. CREDITORS FALLING DUE WITHIN ONE YEAR

	2011	2010*
	£'000	Restated £'000
Deferred income	10,337	2,048
Accruals	224	-
Amounts owed to ultimate parent company	29,958	5,228
Amounts owed to immediate parent company	-	1
	<u>40,519</u>	<u>7,277</u>

Interest is charged on amounts owed to the ultimate parent company at variable rates based on LIBOR. Amounts owed to the immediate parent company are repayable on demand and non-interest bearing.

8. SHARE CAPITAL

	2011	2010
	£'000	£'000
Allotted, called up and fully paid.		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2011

9. RESERVES

	Profit and loss account Restated £'000
At 1 January 2011 as previously stated	1,451
Effect of prior year adjustment (see note1(a))	<u>(2,044)</u>
At 1 Jan 2011 restated	(593)
Loss for the year	<u>(1,353)</u>
At 31 December 2011	<u>(1,946)</u>

11. ADVANCES, CREDIT AND GUARANTEES

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

13. 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.