

Company Number 6663603

HAMMERSON (99 BISHOPSGATE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Period from incorporation on
4 August 2008 to 31 December 2009



HAMMERSON (99 BISHOPSGATE) LIMITED

REPORT OF THE DIRECTORS **Period ended 31 December 2009**

1 INCORPORATION

The Company was incorporated on 4 August 2008

2 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. On 2 October 2008 and 11 November 2008, the Company acquired units in Hammerson 99 Bishopsgate Unit Trust from a third party and a fellow group company respectively. The property and other net assets of the Unit Trust were distributed in specie to the Company, following which the Trust was terminated on 18 December 2008.

3 RESULTS AND DIVIDENDS

The loss for the period was £150,448,000. In addition, the Company received a distribution in specie of property of £162,850,000 during the period. The Directors do not recommend the payment of a dividend for the period.

4 BUSINESS REVIEW AND FUTURE PROSPECTS

It is expected that the Company will continue to hold its property 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 2009 and concluded that it was appropriate. More information is provided in note 1 to the financial statements.

The Directors consider the following measures to be the key performance indicators for the Company: net rental income and property valuation.

During the period ended 31 December 2009 the Company's investment property produced net rental income of £15,293,000. During the period the Company disposed of its investments realising a loss of £163,762,000. At 31 December 2009 the Company's investment property was valued at £115,800,000, and achieved a revaluation deficit of £47,050,000.

The key risks facing the Company relate to tenant exposure and the strength of the UK property market. Tenants' covenants are monitored at the start of leasing agreements and on an ongoing basis and collection performance is closely monitored. Quarterly property valuations are used to monitor the valuation performance of the Company's property assets against the IPD benchmark.

A more comprehensive discussion of risks, risk management and key performance indicators is included in the Annual Report of the ultimate controlling party, Hammerson plc which does not form part of this report.

HAMMERSON (99 BISHOPSGATE) LIMITED

REPORT OF THE DIRECTORS **Period ended 31 December 2009**

5 DIRECTORS

- a) Mr D J Atkins, Mr P W Cole, Mr J M Emery, Mr N A S Hardie and Mr A J G Thomson were appointed Directors of the Company on 4 August 2008
- b) Mr A J Berger-North, Mr L F Hutchings and Mr M C Jepson were appointed Directors of the Company on 8 October 2008
- c) Mr J M Emery resigned as a Director of the Company on 8 October 2008
- d) Mr D J Atkins resigned as a Director of the Company on 1 October 2009
- 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

6 SECRETARY

Mr S J Haydon was Secretary of the Company throughout the period

7 CREDITOR PAYMENT POLICY

It is the Company's policy and practice that the terms of payment to suppliers are agreed in advance of the supply of goods and services and that payments are made in accordance with those terms and conditions provided that the supplier has also complied with them. At 31 December 2009, the Company had nil days' purchases outstanding

8 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 period and which remain in place at the date of this report

9 CHANGE IN ACCOUNTING REFERENCE DATE

The Company changed its accounting reference date from 31 August to 31 December and lengthened the current accounting period to the 16 months ended 31 December 2009

10 AUDITORS

The Auditors, Deloitte LLP were appointed on 4 August 2008

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

HAMMERSON (99 BISHOPSGATE) LIMITED

REPORT OF THE DIRECTORS
Period ended 31 December 2009

11 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 **29 APR 2010**

Registered Office
10 Grosvenor Street
London, W1K 4BJ
Registered in England and Wales No 6663603

HAMMERSON (99 BISHOPSGATE) 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, 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 (99 BISHOPSGATE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON (99 BISHOPSGATE) LIMITED.

We have audited the financial statements of Hammerson (99 Bishopsgate) Limited, for the Period from incorporation on 4 August 2008 to 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 14. 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 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 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 members as a body, 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 loss for the period from 4 August 2008 to 31 December 2009,
- 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 period for which the financial statements are prepared is consistent with the financial statements.

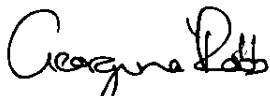
HAMMERSON (99 BISHOPSGATE) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SOLE MEMBER OF HAMMERSON
(99 BISHOPSGATE) 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



Georgina Robb (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
Date 30 Apr 2010

HAMMERSON (99 BISHOPSGATE) LIMITED**PROFIT AND LOSS ACCOUNT****For the period ended 31 December 2009**

	Notes	Period from 4 August 2008 to 31 December 2009 £'000
Gross rental income		19,854
Rents payable and other property outgoings		<u>(4,561)</u>
Net rental income		15,293
Administration expenses	2	(955)
Impairment of investments	7	<u>(168,796)</u>
Operating loss		(154,458)
Distributions received from fixed asset investments	3	8,229
Loss on ordinary activities before net finance costs		<u>(146,229)</u>
Net finance costs	4	<u>(4,219)</u>
Loss on ordinary activities before and after taxation for the financial period	11	<u>(150,448)</u>

All amounts relate to continuing activities

HAMMERSON (99 BISHOPSGATE) LIMITED**BALANCE SHEET**
As at 31 December 2009

	Notes	2009 £'000	£'000
Tangible fixed assets			
Investment properties	6		115,800
Current assets			
Debtors	8	<u>4,014</u>	
Total current assets		4,014	
Current liabilities			
Creditors falling due within one year	9	<u>(54,462)</u>	
Net current liabilities			<u>(50,448)</u>
Net assets			<u>65,352</u>
Capital and reserves			
Called up share capital	10		100,000
Revaluation reserve	11		(47,050)
Profit and loss account	11		<u>12,402</u>
Shareholder's funds			<u>65,352</u>

These financial statements were approved by the Board of Directors on **29 APR 2010**

Signed on behalf of the Board of Directors

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Mr. N.C. Jenson

Company Number 6663603

HAMMERSON (99 BISHOPSGATE) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Period ended 31 December 2009

	Period from 4 August 2008 to 31 December 2009 £'000
Loss for the financial period	(150,448)
Unrealised deficit arising on revaluation of properties	(47,050)
Distribution in specie of investment property	<u>162,850</u>
Total recognised losses for the period	<u>(34,648)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

For the period ended 31 December 2009

	Period from 4 August 2008 to 31 December 2009 £'000
Loss for the financial period	(150,448)
Unrealised deficit on revaluation of properties	(47,050)
Distribution in specie of investment property	162,850
New shares issued	<u>100,000</u>
Net increase in shareholder's funds	65,352
Shareholder's funds at 4 August 2008	<u>-</u>
Shareholder's funds at 31 December 2009	<u>65,352</u>

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS Period ended 31 December 2009

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently throughout the current period

(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 financial position of the Company is as set out in the Balance Sheet

The Company has net current liabilities as at 31 December 2009 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) 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

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2009

1. ACCOUNTING POLICIES (continued)

(e) 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

(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) Fixed asset investments

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

2. ADMINISTRATION EXPENSES

Period from
4 August 2008 to
31 December 2009
£'000

Management fee payable to group company	950
Other expenses	5
	<hr/>
	955

The average number of employees during the period, excluding Directors, was nil

The Directors did not receive any remuneration for services to the Company in the current financial period.

Another group company has paid the auditors' fees for the audit of the Company's annual accounts in the current financial period. Fees for the audit of the Company were £2,225.

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2009

3. DISTRIBUTIONS RECEIVED

	Period from 4 August 2008 to 31 December 2009 £'000
Distribution in specie of other net assets of Unit Trust	5,034
Other distributions received	3,195
	8,229

On 18 December 2008 the Company's fixed asset investment in the Hammerson 99 Bishopsgate Unit Trust was terminated and the Company received the final distribution of £5,034,000

4. NET FINANCE COSTS

	Period from 4 August 2008 to 31 December 2009 £'000
Interest payable to ultimate parent company	4,220
Other interest receivable	(1)
	4,219

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 period, and this is expected to continue for the foreseeable future. The profits covered by group relief for the period ended 31 December 2009 are £1,000

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2009

6. INVESTMENT PROPERTIES

(a)	The movements in the period on properties were	Long leasehold £'000
	Value at date of acquisition (see note 6(b))	162,850
	Deficit arising on revaluation	<u>(47,050)</u>
	At 31 December 2009	<u>115,800</u>
(b)	The property was transferred from the Hammerson 99 Bishopsgate Unit Trust on 2 December 2008 as a distribution in specie	
(c)	Properties are 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.	
(d)	The historical cost of investment property for the Company at 31 December 2009 was £162,850,000	

7. FIXED ASSET INVESTMENTS

Shares in group companies	Cost £'000
At 4 August 2008	-
Acquisition of Hammerson 99 Bishopsgate Unit Trust	158,796
Subscription of additional units	10,000
Impairment	<u>(168,796)</u>
At 31 December 2009	<u>-</u>

The Company acquired 250,000 units in the Hammerson 99 Bishopsgate Unit Trust on 2 October 2008 and a further 158,676,631 units on 11 November 2008. The Company subscribed for a further 10,000,000 units on 12 November 2008.

The Hammerson 99 Bishopsgate Unit Trust was terminated on 18 December 2008 and as a result the investment was written down to nil.

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS Period ended 31 December 2009

8. DEBTORS

	2009 £'000
Trade debtors	3
Amounts owed by fellow subsidiary undertakings	<u>4,011</u>
	<u>4,014</u>

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

9. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2009 £'000
Trade creditors	4,254
Amounts owed to ultimate parent company	49,860
Amounts owed to fellow subsidiary undertakings	<u>348</u>
	<u>54,462</u>

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

10. SHARE CAPITAL

	2009 £'000
Allotted, called up and fully paid:	
100,000,000 ordinary shares of £1 each	<u>100,000</u>

Upon incorporation, 100,000,000 ordinary shares of £1 each were allotted at par.

11. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
Loss for the period	-	(150,448)
Distribution in specie (see note 6(b))	-	162,850
Deficit arising on revaluation	<u>(47,050)</u>	<u>-</u>
Balance at 31 December 2009	<u>(47,050)</u>	<u>12,402</u>

HAMMERSON (99 BISHOPSGATE) LIMITED

NOTES TO THE ACCOUNTS

Period ended 31 December 2009

12. ADVANCES, CREDIT AND GUARANTEES

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

13. 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 period

14. 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