

Registered Number: 00574728


**HAMMERSON GROUP MANAGEMENT LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

Year ended 31 December 2022

THURSDAY

SAT



\*ACJCMBX7\*

A07 28/12/2023 #428

COMPANIES HOUSE

\*ACHZYHSP\*

A20 09/12/2023 #164

COMPANIES HOUSE

## **HAMMERSON GROUP MANAGEMENT LIMITED**

### **DIRECTORS' REPORT**

Year ended 31 December 2022

#### **Principal activities and future developments**

The principal activities of Hammerson Group Management Limited (the "Company") are the management and administration of the property investment and development activities of Hammerson plc and its wider group of entities in the United Kingdom ("UK") and Ireland, together with co-ordination and provision of other business services for Hammerson plc and its group entities both in the UK and overseas. The Company operates a branch in Ireland the results from which are included within these financial statements.

The directors do not anticipate any significant change in the principal activities in the foreseeable future. Further information relating to the business, its key risks, and future prospects is provided in the Strategic Report on page 4.

#### **Results and dividends**

The profit for the year after tax was £3.0m (2021: loss £7.4m). The Directors do not recommend the payment of a dividend for the year (2021: £nil).

As at 31 December 2022, the Company had net current assets of £27.9m (2021: £38.5m) and net assets of £30.7m (2021: £53.0m).

#### **Directors**

All Directors set out below served throughout the year and were in office at the date of approval of this report, unless otherwise stated.

H Badham  
R-R Gagné  
G Peureux  
H H Raja  
R G Shaw

No Director has any interests in contracts entered by the Company.

#### **Secretary**

Hammerson Company Secretarial Limited was Secretary of the Company throughout the year.

#### **Going concern**

The Directors have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2022 and concluded that it was appropriate. More information is provided in note 1(b) to the financial statements.

#### **Indemnity**

The Company's ultimate parent company, Hammerson plc, has put in place 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 GROUP MANAGEMENT LIMITED**

### **DIRECTORS' REPORT (CONTINUED)** Year ended 31 December 2022

#### **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

#### **People management and engagement**

The Company employs all UK non-asset based employees and Group's approach to people management and employee engagement are detailed on page 24 of Hammerson plc's 2022 Annual Report and are applied consistently across the Group, including the Company. The operational and financial progress made across the Group in 2022 was underpinned by the increased priority and focus given to effective people management. The stretching targets set by the Hammerson plc Board for 2022 were translated into a full cascade of team and individual personal goals. These were monitored during the year with formal personal reviews held at both the mid and full year. This was reinforced through an improved and expanded internal communications rhythm and routine which engaged colleagues in the business strategy and the role they play in delivering this.

Shaping a more diverse and inclusive culture at Hammerson continues to be a key objective with further progress to shape the Group's colleague and DE&I strategy made in 2022. A key element of this is the Group's four colleague-led Affinity Groups: LGBTQ+, Race & Ethnicity, Women, and Wellbeing who since their formation have made great strides in raising awareness, creating conversations and highlighting educational resources, sharing personal stories and support around these important topics. A number of events were held in 2022 which were focused on increasing awareness and understanding of the unique challenges faced by our diverse colleague base. These included events focused on Resilience, Mental Health and Wellbeing, Men's Mental Health, Pride and the LGBTQ+ community, Black History Month, and Diwali.

The Company and the Group continue to welcome and fully consider all employment applications irrespective of gender, race, ethnicity, religion, age, sexual orientation or disability. Support also exists for colleagues who become disabled to continue in their employment or to be retrained for other suitable roles. Training, career development and promotion opportunities are equally applied for all our employees, regardless of disability.

Also, in response to the emerging cost of living crisis, in late 2022 assistance was provided to all Group colleagues on annual salaries less than € / £60,000 through the award of a salary supplement. Also, differentiated pay awards were made in March 2023 benefitting those in lower salary bands.

**HAMMERSON GROUP MANAGEMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

Year ended 31 December 2022

**People management and engagement (continued)**

There are also a variety of all-employee and discretionary share schemes are in operation across the Hammerson Group. See note 12 for further details.

By order of the Board



**R.G. Shaw**

Director

5 December 2023

## HAMMERSON GROUP MANAGEMENT LIMITED

### STRATEGIC REPORT

Year ended 31 December 2022

#### Review of the business

##### *Performance during the year*

During the year, the Company was engaged to administer and support the property activities of Hammerson plc and its group entities in the UK, France, and Ireland. The Company made an operating loss of £2.1m (2021: loss of £2.9m).

The Company will continue to administer and support the property activities of Hammerson plc and its group entities. Hammerson plc has interests in several property-owning subsidiary undertakings and joint ventures, which were significantly affected by the Covid-19 pandemic. However, following the lifting of operating restrictions in Q2 2021, people were able to get out and footfall levels have continued to return back towards pre-pandemic levels over the course of 2022.

Net rental income in respect of these properties also recovered strongly in 2022 as rent collection levels improved and resulted in the release of the brought forward impairment provisions against trade receivables and unamortised tenant incentives.

##### *Future prospects*

The Group, and hence the Company, continues to face a number of key risks which are outlined below. Nonetheless, the Directors anticipate the continuation of a steady recovery of Hammerson plc's property performance in 2023, with growth in footfall, rent collections and leasing volumes.

However, whilst the improved trading environment is positive for the wider Hammerson group, the Company's income and expenses are not directly dependent on the operating performance of the Hammerson group and hence the Directors do not anticipate any significant change in the Company's principal activity in the foreseeable future.

#### Key Performance Indicators

	2022 £'000	2021 £'000
Revenue (Fee income)	45,760	56,977
Operating loss	<u>(2,121)</u>	<u>(2,922)</u>

#### Principal risks

As a wholly-owned subsidiary of Hammerson plc, the principal risks facing the Company are in line with those facing the wider Group which are detailed on pages 50-59 of Hammerson plc's 2022 Annual Report (see note 14). Of the Group's 14 principal risks, those most relevant to the Company are Cyber-security, Health and safety, Transformation, and People.

Signed on behalf of the Board of Directors



**R.G. Shaw**

Director

5 December 2023

# HAMMERSON GROUP MANAGEMENT LIMITED

## INCOME STATEMENT

For the year ended 31 December 2022

	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Revenue		<b>45,760</b>	56,977
Other operating expenses	2(a)	<u>(47,881)</u>	<u>(59,899)</u>
Operating loss		<b>(2,121)</b>	(2,922)
Net finance income/(costs)	4	<u>1,392</u>	<u>(524)</u>
Loss on ordinary activities before tax		<b>(729)</b>	(3,446)
Tax credit/(charge)	5(a)	<u>3,770</u>	<u>(3,906)</u>
Profit(loss) for the year		<u><b>3,041</b></u>	<u>(7,352)</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

		<b>2022 £'000</b>	<b>2021 £'000</b>
Profit/(loss) for the year		<b>3,041</b>	(7,352)
<b>Items that may not subsequently be recycled through the income statement</b>			
Net actuarial (losses)/gains on pension schemes	13(c)	<u>(27,400)</u>	<u>18,842</u>
<b>Total comprehensive (expense)/income for the year</b>		<u><b>(24,359)</b></u>	<u>11,490</u>

All amounts relate to continuing activities.

# HAMMERSON GROUP MANAGEMENT LIMITED

## BALANCE SHEET

As at 31 December 2022

		2022		2021 (Re-presented*)	
	Note	£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Fixtures, fittings and equipment	6		438		1,067
Right-of-use assets	7(a)		3,290		3,467
Pension assets	13(c)		1,452		16,823
<b>Total non-current assets</b>			5,180		21,357
<b>Current assets</b>					
Trade and other receivables	8	44,119		52,691	
<b>Current liabilities</b>					
Trade and other payables	9	(16,176)		(14,211)	
<b>Net current assets</b>			27,943		38,480
<b>Total assets less current liabilities</b>			33,123		59,837
<b>Non-current liabilities</b>					
Trade and other payables	10	(1,382)		(1,755)	
Pension liability	13(c)	(933)		(1,225)	
Deferred tax	5(c)	(129)		(3,899)	
<b>Total non-current liabilities</b>			(2,444)		(6,879)
<b>Net assets</b>			30,679		52,958
<b>Capital and reserves</b>					
Share capital	11		17,000		17,000
Other reserves*			-		-
Retained earnings*			13,679		35,958
<b>Total equity</b>			30,679		52,958

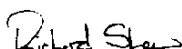
\* Other reserves and Retained earnings for 2021 have been have been re-presented as set out in the Statement of change in equity on page 7.

For the year ended 31 December 2022, the Company was entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities in respect of audit exemption:

- the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with s476 of the Companies Act 2006
- the Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf by:



**R.G. Shaw**

Director

5 December 2023

Registered Number: 00574728

# HAMMERSON GROUP MANAGEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Share capital £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	17,000	5,157	16,524	38,681
Share-based employee remuneration	-	3,023	-	3,023
Cost of shares awarded to employees	-	(321)	-	(321)
Transfer on award of own shares to employees	-	(2,206)	2,206	-
Proceeds on award of shares to employees	-	-	85	85
Net actuarial gain on pension schemes	-	-	18,842	18,842
Loss for the year	-	-	(7,352)	(7,352)
At 31 December 2021	<b>17,000</b>	<b>5,653</b>	<b>30,305</b>	<b>52,958</b>
Reclassification*	-	(5,653)	5,653	-
At 31 December 2021 – re-presented	<b>17,000</b>	<b>-</b>	<b>35,958</b>	<b>52,958</b>
Share-based employee remuneration	-	-	2,793	2,793
Cost of shares awarded to employees	-	-	(790)	(790)
Proceeds on award of shares to employees	-	-	77	77
Net actuarial losses on pension schemes	-	-	(27,400)	(27,400)
Profit for the year	-	-	3,041	3,041
At 31 December 2022	<b>17,000</b>	<b>-</b>	<b>13,679</b>	<b>30,679</b>

\* The other reserve comprised the share-based employee remuneration reserve. This share-based employee remuneration reserve has now been reclassified into retained earnings to reflect that it forms part of this reserve.



## HAMMERSON GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2022

#### 1. ACCOUNTING POLICIES

Hammerson Group Management Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The nature of the Company's operations and its principal activities are set out on page 1. The address of the registered office is Marble Arch House, 66 Seymour Street, London, W1H 5BX.

The following principal accounting policies have been applied consistently throughout the current and preceding year, unless otherwise stated.

(a) Basis of accounting

New accounting standards, amendments, or interpretations, which were effective for the Company for the first time during the financial year had no, or no material impact on the financial statements.

*Basis of preparation*

These financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101') as issued by the Financial Reporting Council.

The financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties and other fixed asset investments, which are held at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

As permitted by FRS 101, the Trust has taken advantage of the disclosure exemptions available under that standard in relation to:

- comparative information in respect of certain assets;
- capital management;
- financial instruments;
- share based payments;
- a statement of cash flows;
- future accounting standards not yet effective; and
- related party transactions.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Hammerson plc into which the Company is consolidated.

These are separate financial statements. The Company is exempt from preparing consolidated financial statements as it is wholly owned part of a Group whose consolidated financial statements are publicly available as described in note 14.

(b) Going concern

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 GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

#### 1. ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency

Transactions in foreign currencies are translated into sterling at exchange rates approximating to the exchange rate ruling at the data of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rate ruling at that date.

The principal relevant rates used for currency translations for the balance sheet are £=€1.128 (2021: £1=€1.191) and for the income statement are £1=€1.173 (2021: £1=€1.163).

(d) Fixed assets

Fixtures, fittings, and equipment are stated at cost less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful life, which is generally between three and five years, or in the case of leasehold improvements the lease term.

(e) Pensions

***Defined contribution pension plans***

The cost of defined contribution schemes is expensed as incurred. The Company has no further payment obligations once the contributions have been paid.

***Defined benefit pension plans***

The Company has one funded plan where assets are held in separate trustee administered funds. The Company also provides other unfunded pension benefits to certain members.

The Company's net obligation comprises the amount of future benefit that employees have earned, discounted to determine a present value, less the fair value of the pension plan assets. The cost of providing benefits under defined benefit arrangements are determined separately for each plan using the projected unit credit method, with valuations being carried out by external actuaries.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation. A net pension asset is only recognised to the extent that it is expected to be recoverable in the future and the asset is limited to the present value of any future refunds from the plan or reduction in future contributions to the plan. In accordance with IFRIC 14, the Company recognises a pension surplus on a defined benefit pension plan if it has a legal right to receive that surplus on winding up.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

(f) Share-based payments

Equity settled share-based employee remuneration is determined with reference to the fair value (excluding the effect of non-market-based vesting conditions) of the equity instruments at the date of grant and is expensed over the vesting period on a straight-line basis.

The fair value of share options which are subject only to internal performance criteria or service conditions are measured using input factors including the exercise price, expected volatility, option life and risk-free interest rate. For all schemes, the number of options expected to vest is recalculated at each balance sheet date, based on expectations of leavers prior to vesting. The fair value of the market-based element of the Restricted Share Plan is calculated using the Monte Carlo model which is dependent on factors including the expected volatility, vesting period and risk-free interest rate.

## HAMMERSON GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### (g) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

##### (h) Revenue

Revenue represents fee income charged, or chargeable to, group entities for the provision of management and other services and is recognised on an accruals basis.

##### (i) Net finance costs

Net finance costs include interest payable on borrowings, interest costs on pension schemes, foreign exchange movements and interest on other leases, net of interest receivable from related party undertakings and interest receivable on funds invested.

##### (j) 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.

##### (k) 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 the transaction price (including transaction costs). Financial assets, including intercompany loans, are subsequently carried at amortised cost using the effective interest method, less loss allowance. Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Financial assets are derecognised when and only when either:

- the contractual rights to the cash flows from the financial asset expire or are settled;
- the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- 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.

##### (l) Critical accounting policies and estimation uncertainties

The preparation of financial statements requires management to make judgements, estimates and assumptions about the application of its accounting policies which affect the reported amounts of assets, liabilities, income and expenses. Actual amounts and results may differ from those estimates.

Judgements and estimates are evaluated regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Any revisions to accounting estimates are recognised in the period in which the estimate is revised. There are not considered to be any policies or estimation uncertainties which are deemed to be critical.

## HAMMERSON GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

#### 2. OTHER OPERATING EXPENSES

	2022 £'000	2021 £'000
Depreciation - fixtures, fitting, and equipment	831	817
Depreciation - right-of-use assets	2,190	2,035
Employee costs	29,913	35,802
Payment for loss of office	64	157
Decrease in impairment provision against amounts due from fellow group undertakings	-	(848)
Decrease in impairment provision against other receivables	-	(346)
Business transformation costs*	2,900	6,928
Other operating costs	12,767	16,304
Other operating income	(784)	(950)
	<b>47,881</b>	<b>59,899</b>
	<b>2022 £'000</b>	<b>2021 £'000</b>
* Business transformation costs comprise:		
Severance	1,659	2,508
Systems related costs	441	-
Consultancy costs	-	4,420
	<b>2,900</b>	<b>6,928</b>

#### 3. EMPLOYEES AND DIRECTORS

##### (a) Employee costs (including Directors)

	Note	2022 £'000	2021 £'000
Wages and salaries (including bonuses)		22,338	26,242
Social security		2,831	3,926
Share-based remuneration		2,793	3,023
Net pension expense (including cash paid in lieu)	13	1,951	2,611
		<b>29,913</b>	<b>35,802</b>
		<b>2022 Number</b>	<b>2021 Number</b>
(b) Average monthly number of employees (including Directors)		<b>189</b>	<b>242</b>
		<b>2022 £'000</b>	<b>2021 £'000</b>
(c) Directors' remuneration		<b>4,930</b>	<b>4,095</b>

Directors' emoluments relate to services performed for the Group as a whole, which are not apportioned directly to Hammerson plc subsidiaries.

# HAMMERSON GROUP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

### 3. EMPLOYEES AND DIRECTORS (continued)

	2022 £'000	2021 £'000
(d) Remuneration of highest paid Director – emoluments	<u>1,895</u>	<u>1,462</u>

### 4. NET FINANCE COSTS/(INCOME)

	2022 £'000	2021 £'000
Net interest costs on pension scheme	-	179
Foreign exchange translation loss	-	742
Interest on other leases	93	96
Bank and other interest payable	<u>6</u>	<u>7</u>
Finance costs	99	1,024
Interest receivable on amounts owed by ultimate parent company	(338)	(500)
Net interest income on pension scheme	(430)	-
Foreign exchange translation gain	<u>(723)</u>	<u>-</u>
	<u>(1,392)</u>	<u>524</u>

### 5. TAXATION

#### (a) Tax charge

	2022 £'000	2021 £'000
Current tax charge	-	7
Deferred tax (credit)/charge	<u>(3,770)</u>	<u>3,899</u>
Total tax (credit)/charge	<u>(3,770)</u>	<u>3,906</u>

#### (b) Reconciliation of notional tax to actual tax charge

Loss on ordinary activities before tax	<u>(729)</u>	<u>(3,446)</u>
Tax at UK corporation tax rate of 19% (2021: 19%)	(139)	(655)
Disallowable expenses	14	16
Timing differences	(5,473)	410
Group relief	1,828	4,128
Overseas tax (Ireland branch profits)	<u>-</u>	<u>7</u>
Total tax (credit)/charge	<u>(3,770)</u>	<u>3,906</u>

#### (c) Deferred tax

The Company had a deferred tax liability of £129,000 (2021: £3,899,000) relating to timing differences on pensions.

# HAMMERSON GROUP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

### 6. FIXTURES, FITTINGS, AND EQUIPMENT

	Cost £'000	Accumulated Depreciation £'000	Net book value £'000
At 1 January 2021	10,998	(9,258)	1,740
Additions	148	-	148
Disposals	(369)	369	-
Charge for the year	-	(817)	(817)
Exchange	(21)	17	(4)
	<u>10,756</u>	<u>(9,689)</u>	<u>1,067</u>
At 31 December 2021	10,756	(9,689)	1,067
Additions	206	-	206
Disposals	(116)	112	(4)
Charge for the year	-	(832)	(832)
Exchange	21	(20)	1
	<u>10,867</u>	<u>(10,429)</u>	<u>438</u>
At 31 December 2022	10,867	(10,429)	438

### 7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### (a) Movements in the year:

	Right-of- use assets £'000	Lease liabilities £'000
At 1 January 2021	5,511	(5,619)
Rents payable	-	2,137
Depreciation	(2,035)	-
Interest on other leases	-	(96)
Exchange	(9)	9
	<u>3,467</u>	<u>(3,569)</u>
At 31 December 2021	3,467	(3,569)
New lease	2,006	(2,006)
Rents payable	-	2,289
Depreciation	(2,190)	-
Interest on other leases	-	(93)
Exchange	7	(7)
	<u>3,290</u>	<u>(3,386)</u>
At 31 December 2022	3,290	(3,386)

#### (c) Maturity analysis of lease liabilities:

	2022 £'000	2021 £'000
Due within one year	(2,004)	(2,140)
Due after more than one year	(1,382)	(1,429)
	<u>(3,386)</u>	<u>(3,569)</u>

# HAMMERSON GROUP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

### 8. TRADE AND OTHER RECEIVABLES: CURRENT

	2022 £'000	2021 £'000
Amounts owed by ultimate parent company	23,103	21,135
Amounts owed by fellow group undertakings	14,122	23,235
Other receivables and prepayments	6,894	8,321
	<u>44,119</u>	<u>52,691</u>

All amounts are repayable on demand and are unsecured.

Amounts owed by the ultimate parent company are interest bearing at variable rates based on SONIA (2021: LIBOR). Amounts owed by fellow group undertakings are non-interest bearing.

Other receivables are shown after deducting a loss allowance provision of £2,000 (2021: £18,000).

### 9. TRADE AND OTHER PAYABLES: CURRENT

	2022 £'000	2021 £'000
Lease liabilities	2,004	2,140
Other payables	2,987	1,361
Accruals	10,237	10,165
Amounts owed to fellow group undertakings	948	545
	<u>16,176</u>	<u>14,211</u>

Amounts owed to fellow group undertakings are repayable on demand and are non-interest bearing. All amounts are unsecured.

### 10. TRADE AND OTHER PAYABLES: NON-CURRENT

	2022 £'000	2021 £'000
Lease liabilities	1,382	1,429
Other payables and accruals	-	326
	<u>1,382</u>	<u>1,755</u>

### 11. SHARE CAPITAL

	2022 £'000	2021 £'000
<b>Authorised:</b>		
20,000,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
<b>Allotted, called up and fully paid:</b>		
17,000,000 ordinary shares of £1 each	<u>17,000</u>	<u>17,000</u>

## HAMMERSON GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

#### 12. SHARE-BASED PAYMENTS

Employees, including Directors, participate in a performance-related bonus plan. Hammerson plc also operates several share plans under which employees, including Executive Directors, are eligible to participate. Details of these plans, including general terms and conditions are set out in the 2022 Annual Report of the Company's ultimate parent company.

At 31 December 2022, Hammerson plc had four share schemes in operation as follows:

**Deferred Bonus Share Scheme (DBSS):** The DBSS is open to Executive Directors and senior management where a deferred element of their annual performance related incentive plan is settled in shares which are deferred for a period of two years from the date of the award and where the other element of this plan is settled in cash. The share awards are satisfied through the grant of £nil cost options.

**Restricted Share Schemes (RSS) and Long Term Incentive Plan (LTIP):** The RSS applies to the Executive Directors, through the grant of £nil cost options, which vest one third each on the third, fourth and fifth anniversaries of the date of the award. There is a vesting performance underpin which is measured at the end of the third anniversary. The RSS superseded the Company's LTIP in 2019.

**Restricted Share Plan (RSP):** UK eligible employees are granted £nil cost options which have a vesting period of three years from the date of the award. There are no performance criteria to be satisfied for the awards to vest, the employee only needs to be in employment on the third anniversary from the date of the award.

These schemes are summarised below:

	Number outstanding at year end	Number exercised in year	Weighted average exercise price	Weighted average contractual life
<b>2022</b>				
Deferred bonus share scheme	2,761,940	714,478	31p	1.3 years
Restricted share scheme and LTIP <sup>1</sup>	15,576,073	-	n/a	2.3 years
Restricted share plan	18,410,753	1,210,999	32p	1.3 years
<b>2021</b>				
Deferred bonus share scheme	714,478	62,483	32p	0.1 years
Restricted share scheme and LTIP <sup>1</sup>	11,100,742	-	n/a	3.0 years
Restricted share plan	16,570,535	764,288	33p	1.8 years

(1) In 2020, the Restricted Share Scheme replaced the Long-Term Incentive Plan, and the latter, although closed to new awards, will continue until the end of the 2019 award's vesting period in 2024.

In addition, the Company has the following share saving schemes open to eligible employees:

- Savings related share option scheme where eligible employees may participate in by choosing to enter into one or more contracts for a three or five year term and save up to a total of £500 per month. At 31 December 2022 there were 2,740,448 (2021: 1,270,053) shares in the scheme with a weighted average contractual life of 2.8 years (2021: 2.8 years).
- a Share incentive plan where eligible employees are invited to invest up to £1,800 per annum tax free in SIP partnership shares and receive an equivalent amount of free matching shares. At 31 December 2022 there were 1,334,378 (2021: 1,348,127) shares in the plan.



## HAMMERSON GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

#### 13. PENSIONS

The Company operates a number of defined benefit and defined contribution schemes where the principal scheme is a funded defined benefit scheme ('the Scheme') where assets are held in a separate trustee administered fund. The Scheme is valued by a qualified actuary at least every three years and contributions are assessed in accordance with the actuary's advice. Since 31 December 2002, this scheme has been closed to new entrants and on 30 June 2014 was closed to future accrual. As described further in note 13(d), on 8 December 2022, the Company and the Scheme's Trustees entered into a bulk purchase annuity policy ("buy-in") in respect of insuring all future payments to existing pensioners of the Scheme.

(a) Defined contribution pension schemes

The charge in respect of the Company's defined contribution pension schemes, which are operated in the UK and Ireland, was £1,541,000 (2021: £1,949,000)

(b) Principal assumptions used for the Scheme

	2022 %	2021 %
<b>Financial</b>		
Discount rate for accrued benefits	4.8	2.0
Inflation (retail price index)	3.2	3.3
Rate of increase in pensions in payment	3.2	3.3
<b>Demographic</b>	<b>Years</b>	<b>Years</b>
Life expectancy from age 60		
- Pensioner aged 60	* 28.7	28.0
- Non-pensioner currently aged 40	* 30.1	29.5
<b>Weighted average maturity</b>	<b>14.0</b>	<b>18.0</b>

- \* The Company uses demographic assumptions underlying the most recent formal actuarial valuation of the Scheme as at 31 December 2021. The base mortality assumptions are based on the S3NA tables, with adjustments to reflect the Scheme's population. Future mortality improvements for 2023 are CMI 2021 projections with a long term rate of improvement of 1.25% p.a. together with weighting parameters 'w2020' and 'w2021' of 10% which adjusts for evidence of negative impacts of non-Covid-19 mortality expected to continue in the future (2021: CMI 2020 projections with a long term rate of improvement of 1.25% p.a. also with just the w2020 weighting parameter of 10%).

# HAMMERSON GROUP MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

### 13. PENSIONS - continued

(c) Defined benefit scheme - changes in present value for the Scheme

2022	Obligations	Assets	Net
	£'000	£'000	£'000
At 1 January 2022	(106,966)	122,564	15,598
Recognised in the income statement			
- interest (cost)/income	a (2,071)	2,501	430
Amounts recognised in equity – actuarial changes			
- experience adjustments	(7,096)	-	(7,096)
- changes in financial assumptions	33,200	-	33,200
- changes in demographic assumptions	1,832	-	1,832
- actual return on plan assets	-	(55,337)	(55,337)
	27,936	(55,337)	(27,401)
Employer contributions	b -	11,833	11,833
Benefits paid	6,913	(6,854)	59
At 31 December 2022	(74,188)	74,707	519
Analysed as:			
Present value of the Scheme	c (73,255)	74,707	1,452
Present value of unfunded scheme	(933)	-	(933)
	(74,188)	74,707	519
2021	Obligations	Assets	Net
	£'000	£'000	£'000
At 1 January 2021	(122,456)	98,019	(24,437)
Recognised in the income statement			
- interest (cost)/income	a (1,532)	1,353	(179)
Recognised in equity – actuarial changes			
- experience adjustments	2,723	-	2,723
- changes in financial assumptions	4,111	-	4,111
- changes in demographic assumptions	983	-	983
- actual return on plan assets	-	11,025	11,025
	7,817	11,025	18,842
Employer contributions	-	21,314	21,314
Benefits paid	9,205	(9,147)	58
At 31 December 2021	(106,966)	122,564	15,598
Analysed as:			
Present Value of the Scheme	c (105,741)	122,564	16,823
Present Value of the unfunded scheme	(1,225)	-	(1,225)
	(106,966)	122,564	15,598

a Included in net finance costs.

b Owing to the buy-in described above and in note 13(d), the Group does not expect to make contributions to the Scheme in 2023.

c As permitted by IFRIC 14 the Group has recognised the pension surplus on the Scheme as it has a legal right to receive that surplus on winding up.

## HAMMERSON GROUP MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 31 December 2022

#### 13. PENSIONS - continued

##### (d) Analysis of the Scheme assets

	<b>2022 Total £'000</b>	<b>2021 Total £'000</b>	<b>Quoted £'000</b>	<b>Unquoted £'000</b>
Diversified Growth funds	-	54,431	50,531	3,900
Short dated credit fund	-	17,478	16,678	800
Liability driven investments (LDI)	-	49,107	200	48,907
Cash and other net current assets	1,452	1,548	-	1,548
Buy-in insurance policy	a <u>73,255</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2022</b>	b <b><u>74,707</u></b>	<b><u>122,564</u></b>	<b><u>67,409</u></b>	<b><u>55,155</u></b>

a On 8 December 2022, the Company and the Scheme's Trustees entered into a bulk purchase annuity policy (buy-in) contract with Just Retirement Limited for a premium of £87.3m in respect of insuring all future payments to existing pensioners of the Scheme at 9 December 2022. The pension buy-in transaction was funded through the existing investment assets held by the Trustees on behalf of the pension scheme and the impact of this transaction is reflected in the IAS 19 valuation.

b All assets at 31 December 2022 were unquoted (2021: assets noted are all invested in pooled funds as opposed to equity funds).

##### (e) Sensitivities on principal assumptions used to measure the Scheme's liabilities:

	<b>2022 £'000</b>	<b>2021 £'000</b>
Positive / (negative) effect		
Discount rate	+0.1% <b>1,000</b>	1,800
Price inflation	+0.1% <b>(900)</b>	(1,700)
Long-term improvements in longevity	+ 1 year <b>(2,400)</b>	(5,000)

#### 14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's immediate and ultimate parent and controlling entity is Hammerson plc, a company registered in England and Wales and is the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements are available from that company's registered office, Marble Arch House, 66 Seymour Street, London, W1H 5BX.