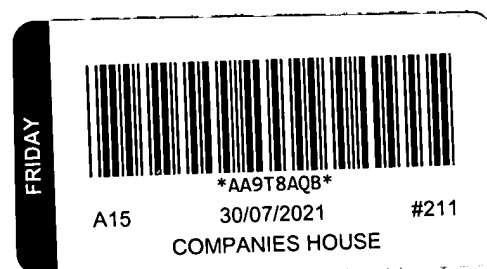


Registered Number: 04044451

HAMMERSON (NEWCASTLE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2020



HAMMERSON (NEWCASTLE) LIMITED

DIRECTORS' REPORT

Year ended 31 December 2020

The Directors submit their report and financial statements for Hammerson (Newcastle) Limited (the "Company") for the year ended 31 December 2020.

1. PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The Company disposed of its investment property in January 2016 and had residual activity from 2017 to 2019. During 2020, the Company did not trade and was dormant throughout the year and subsequent to the year end.

2. DIRECTORS

- (a) Mr. W.S. Austin, Mr. M.R. Bourgeois, Mr. R.G. Shaw and Mr. S.C. Travis were Directors of the Company throughout the year and were in office at the date of approval of this report.
- (b) Mr. A.J. Berger-North resigned as a Director of the Company on 7 August 2020.
- (c) Mr. T. Cochrane was appointed as a Director of the Company on 7 August 2020 and resigned as a Director of the Company on 19 May 2021.
- (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.

3. SECRETARY

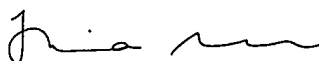
Hammerson Company Secretarial Limited was Secretary of the Company throughout the year.

4. GOING CONCERN

The Directors have considered the use of the going concern basis in the preparation of the financial statements as at 31 December 2020 and, having taken into account the current unprecedented levels of uncertainty on the Company's activities, principally caused by the Covid-19 pandemic, concluded that it was appropriate.

However, the Directors note that the Company's receivables balance relates to amounts due from Hammerson plc, its ultimate parent company. Whilst the consolidated financial statements of Hammerson plc for the year ended 31 December 2020 were prepared on a going concern basis, the Directors note that they referred to a material uncertainty regarding the ability of Hammerson plc to continue as a going concern. Therefore, by extension, this may cast doubt on the recoverability of the Company's receivable balance from Hammerson plc. This has led the Directors to conclude that there is a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern. More information is provided in note 1(b) to the financial statements.

By order of the Board



J. Crane
For and on behalf of
Hammerson Company Secretarial Limited
acting as Secretary
Date: 22 July 2021

Registered Office
Kings Place
90 York Way
London N1 9GE
Registered in England and Wales No. 07784823

HAMMERSON (NEWCASTLE) LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Net finance income	3	<u>-</u>	<u>554</u>
Profit before and after taxation and total comprehensive income for the financial year		<u>-</u>	<u>554</u>

All amounts relate to continuing operations.

HAMMERSON (NEWCASTLE) LIMITED**BALANCE SHEET****As at 31 December 2020**

	Note	2020		2019	
		£'000	£'000	£'000	£'000
Current assets					
Receivables	5	8,554		8,554	
Net current assets			<u>8,554</u>		<u>8,554</u>
Net assets			<u>8,554</u>		<u>8,554</u>
Capital and reserves					
Called up share capital	6		8,000		8,000
Retained earnings	7		<u>554</u>		<u>554</u>
Total equity			<u>8,554</u>		<u>8,554</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

- (a) For the financial year in question, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.
- (b) The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- (c) The Directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for the preparation of financial statements.

The financial statements were authorised for issue by the Board of Directors on 22 July 2021 and signed on its behalf.

**W.S. Austin**

Director

Registered Number: 04044451

HAMMERSON (NEWCASTLE) LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2019	8,000	29,456	37,456
Dividends paid	-	(29,456)	(29,456)
Profit and total comprehensive income for the year	-	554	554
At 31 December 2019	8,000	554	8,554
Profit and total comprehensive income for the year	-	-	-
At 31 December 2020	8,000	554	8,554

HAMMERSON (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. ACCOUNTING POLICIES

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

(a) Basis of accounting

Basis of preparation

Hammerson (Newcastle) Limited is a private company limited by shares and 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 Kings Place, 90 York Way, London N1 9GE.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101") as issued by the Financial Reporting Council in both the current and preceding year.

(b) Going concern

The Directors have reviewed the current and projected financial position of the Company, having assessed the current unprecedented levels of uncertainty on the Company's activities, principally caused by the Covid-19 pandemic. After making enquiries and reasonable assumptions about the future trading performance, and assessing the recoverability of the Company's receivable balances, as referred to below, 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.

In forming an assessment as to whether the ultimate parent company has the ability to settle its intercompany debt due to the Company, the Directors have had regard to the cash flow forecasts of the Hammerson plc group which anticipate significant liquidity over the going concern period. Consequently, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future.

However, in making this assessment the Directors are mindful of the disclosures made by Hammerson plc in their own consolidated financial statements for the year ended 31 December 2020. The directors of Hammerson plc highlighted that the Group is facing unprecedented levels of uncertainty, principally caused by the Covid-19 pandemic, and the Group's financial modelling is very sensitive to changes in the underlying assumptions. Depending on the outcome of ongoing secured debt discussions, the 'severe but plausible adverse' scenario projects a potential breach in the Group's unsecured gearing covenant and minimal interest cover covenant headroom.

HAMMERSON (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

(b) Going concern (continued)

Given these circumstances, the Group's directors concluded that attention should be drawn to the following factors as a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern:

- the impact on income and property valuations associated with the terms and speed of future relaxations of Covid-19 restrictions and the strength and timeframe of the forecast recovery in the retail market and the broader economy. More adverse outcomes relative to those assumed in the scenario modelling could result in breaches in the Group's unsecured gearing and interest cover ratio covenants, regardless of the outcome of the secured debt facilities negotiations.
- The ability to satisfactorily conclude lender discussions on a number of the Group's secured debt facilities by obtaining additional waivers or amendments, renegotiating terms, partly or fully prepaying facilities, or refinancing maturing loans. However, as these facilities are held in three of the Group's joint ventures and an associate, the outcome of the discussions with the third party lenders is not solely within the Group's control. In the highly unlikely event that lenders enforced their security interests to recover these loans and the Group were to lose the value of its equity investments, the Group would breach its unsecured gearing covenant in the 'severe but plausible adverse' scenario at 30 June 2022.

By extension, the factors noted above, and the subsequent material uncertainty identified in the Group financial statements, could impact on Hammerson plc's ability to settle its intercompany debt due to the Company. Accordingly, the Directors of the Company have identified a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

2. ADMINISTRATIVE EXPENSES

The average number of employees during the year, excluding Directors, was nil (2019: nil).

The Directors did not receive any remuneration for their services from the Company in the year (2019: £nil), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of disclosure. In addition, there were no payments to key management personnel.

The Company was dormant during 2020 therefore no audit fee was required. Another group company paid the auditors' fees for the audit of the Company's annual financial statements in 2019, which was £875.

3. NET FINANCE INCOME

	2020 £'000	2019 £'000
Interest received from ultimate parent company	-	554

HAMMERSON (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2020

4. 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. The profits covered by Group relief for the year ended 31 December 2020 are £nil (2019: £554,000).

5. RECEIVABLES: CURRENT ASSETS

	2020 £'000	2019 £'000
Amounts owed by ultimate parent company	<u>8,554</u>	<u>8,554</u>

All amounts shown under receivables fall due for payment within one year and are repayable on demand. The amounts owed are unsecured. In 2019, interest was charged on amounts owed by the ultimate parent company at variable rates based on LIBOR. From 1 January 2020, the amounts owed by the ultimate parent company were non-interest bearing.

6. CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Authorised:		
8,000,000 ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>
Allotted, called up and fully paid:		
8,000,000 ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>

7. RESERVES

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

<u>Reserve</u>	<u>Description and purpose</u>
Retained earnings	Cumulative profits and losses less any dividends paid

8. ADVANCES, CREDIT AND GUARANTEES

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

HAMMERSON (NEWCASTLE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **Year ended 31 December 2020**

9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2020, 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 2020, the Company's immediate parent company was Hammerson UK Properties plc, which is registered in England and Wales.

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