

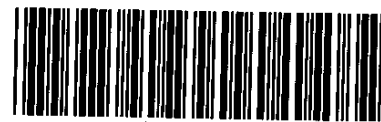
Registered Number: 06654800

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

Year ended 31 December 2022

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HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

DIRECTORS' REPORT

Year ended 31 December 2022

The Directors submit their report and the unaudited financial statements for Hammerson (Value Retail Investments) Limited (the "Company") for the year ended 31 December 2022.

The Directors' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and consequently no Strategic Report has been prepared.

1. PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

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.

Performance during the year

The Company's investment in Value Retail PLC comprises of interests within nine outlet centres ("Villages") across seven European countries. The Villages recovered close to pre-pandemic levels in 2022. Brand sales were approaching 2019 levels and footfall across the Villages was resilient. Spend per visit was above 2019 level following improved digital marketing of domestic high net worth customers. Consequently, the income received by the Company from its investments of £4,377,000, is higher than the £2,393,000 received in the preceding year.

2. RESULTS AND DIVIDENDS

The loss for the year after tax was £9,395,000 (2021: £2,645,000). 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 liabilities of £461,228,000 (2021: £452,304,000) and net assets of £58,417,000 (2021: £67,812,000).

3. DIRECTORS

(a) The Directors who served throughout the year unless otherwise stated, were:

H H Raja
R G Shaw
S C Travis

All Directors were in office at the date of approval of this report

(b) In accordance with the Articles of Association of the Company, the Directors are not required to retire by rotation.

(c) No Director has any interests in contracts entered into by the Company.

4. SECRETARY

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

5. GOING CONCERN

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 2022 and concluded that it was appropriate. More information is provided in note 1(b) to the financial statements.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

DIRECTORS' REPORT (CONTINUED)

Year ended 31 December 2022

6. 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.

7. 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 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.

The Directors 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.

By order of the Board



R.G. Shaw

Director

Registered Number: 06654800

Date: 14 December 2023

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Investment income	2	4,377	2,393
Other receivables written off		-	(140)
Administration expenses		(5)	-
Increase in impairment provision on investments	6(a)	(471)	-
Profit on ordinary activities before net finance costs		3,901	2,253
Net finance costs	4	(13,296)	(4,898)
Loss before and after taxation and total comprehensive expense for the financial year		<u>(9,395)</u>	<u>(2,645)</u>

All amounts relate to continuing activities.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

BALANCE SHEET

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Investments	6(a)	519,645	520,116
Current liabilities			
Payables	7	(461,228)	(452,304)
Net current liabilities		(461,228)	(452,304)
Total assets less current liabilities		58,417	67,812
Net assets		58,417	67,812
Capital and reserves			
Called up share capital	8	5,000	5,000
Retained earnings	9	53,417	62,812
Total equity		58,417	67,812

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.

The financial statements were authorised for issue by the Board of Directors on 14 December 2023 and were signed on its behalf.



R.G. Shaw

Director

Registered Number: 06654800

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	5,000	65,457	70,457
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>(2,645)</u>	<u>(2,645)</u>
At 31 December 2021	5,000	62,812	67,812
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>(9,395)</u>	<u>(9,395)</u>
At 31 December 2022	<u>5,000</u>	<u>53,417</u>	<u>58,417</u>

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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

There were no new accounting standards, amendments or interpretations, which were effective for the Company for the first time during the financial year which have had an impact on the Company's results or net assets.

Basis of preparation

Hammerson (Value Retail Investments) 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 Marble Arch House, 66 Seymour Street, London, W1H 5BX.

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 presentation currency used is sterling and amounts have been presented in round thousands ("£000s"). The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(k).

Disclosure exemptions adopted

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments; Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities';
- Paragraph 38 of IAS1, 'Presentation of financial statements' – comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirements for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134 – 136 (capital management disclosures);
- IAS 7, 'Statement of cash flows';

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

(a) Basis of accounting (continued)

- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS which has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hammerson plc into which the Company is consolidated. The financial statements of Hammerson plc can be obtained as described in note 12.

(b) Going concern

The Company has net current liabilities as at 31 December 2022 and is reliant on the support of its ultimate parent company, Hammerson plc, to be able to meet its liabilities as they fall due. These liabilities relate primarily to amounts due to the ultimate parent company. 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 12 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) Investment income

Investment income represents the Company's share of profit distributions receivable and other variable returns from its investments and is included within the statement of comprehensive income.

(d) Net finance costs

Net finance costs include interest payable to related party undertakings, net of interest receivable on funds invested and changes in the fair value of derivative financial instruments and is included in the statement of comprehensive income.

(e) Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

(f) Deferred income

Deferred income represents profit distributions received in advance by the Company from its investments and is included within payables in the balance sheet.

(g) 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.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

1. ACCOUNTING POLICIES (CONTINUED)

(h) Foreign currency transactions

Transactions recognised in foreign currencies are translated into sterling at exchange rates approximating to the exchange rate ruling at the date 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 and, unless they relate to the hedging of the net investment in foreign operations, differences arising on translation are recognised within the statement of comprehensive income.

(i) Borrowings

Borrowings are recognised initially at fair value, after taking account of any discount on issue and attributable transaction costs. Subsequently, borrowings are held at amortised cost, such that discounts and costs are charged to the statement of comprehensive income over the term of the borrowing at a constant return on the carrying value of the liability.

(j) 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 and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) 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.

(k) Critical accounting policies and estimation uncertainties

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The Company's critical judgement and area of estimation uncertainty is in respect of the valuation of investments. The Company holds investments in entities which hold or provide services to Value Retail outlet centres. These investments are carried at cost less provision for impairment, which are assessed by the Directors in relation to the net assets of the underlying outlet centres. The principal asset in each Village is its investment property which is valued six-monthly by professionally qualified external valuers and the Directors must ensure they are satisfied that the valuation of the Company's investments is appropriate for the financial statements.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

2. INVESTMENT INCOME

	2022 £'000	2021 £'000
Investment income	<u>4,377</u>	<u>2,393</u>

3. ADMINISTRATIVE EXPENSES

The average number of employees during the year was nil (2021: nil).

The Directors did not receive any remuneration for their services from the Company in the year (2021: £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 in either the current or preceding financial year.

4. NET FINANCE COSTS

	2022 £'000	2021 £'000
Interest payable to ultimate parent company	12,267	6,419
Foreign exchange translation differences	<u>1,029</u>	<u>(1,521)</u>
	<u>13,296</u>	<u>4,898</u>

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 (including profits and gains from such activities conducted via a partnership).

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 on its own income or share of the taxable profits of the Value Retail limited partnerships, and this is expected to continue for the foreseeable future. The taxable profits covered by group relief for the year ended 31 December 2022 are £3,348,000 (2021: £3,914,000).

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

6. INVESTMENTS

(a) The movements in the year were as follows

	Cost £'000	Impairment provision £'000	Carrying value £'000
At 1 January 2021	525,769	(5,653)	520,116
Impairment of investments	-	-	-
At 31 December 2021	525,769	(5,653)	520,116
Impairment of investments	-	(471)	(471)
At 31 December 2022	525,769	(6,124)	519,645

(b) Details of indirectly held entities are listed below

Name	Country of registration or operation	Class of share held	Ownership %
Bicester Investors Limited Partnership	Bermuda ¹	N/A	25
Bicester Investors II Limited Partnership	Bermuda ¹	N/A	25
Master Holding BV	Netherlands ²	Ordinary	32
Value Retail Investors Limited Partnership	Bermuda ¹	N/A	80
Value Retail Investors II Limited Partnership	Bermuda ¹	N/A	89
Value Retail Investors III Limited Partnership	Bermuda ¹	N/A	50
Value Retail PLC	UK ³	Ordinary	24
VR European Holdings BV	Netherlands ²	Ordinary	25
VR Franconia GmbH	Germany ⁴	Ordinary	35
VR Ireland BV	Netherlands ²	Ordinary	32
VR Maasmechelen Tourist Outlets Comm.VA	Belgium ⁵	B-shares	25
VR Bavaria GmbH	Germany ⁴	Ordinary	23
VR La Vallée BV	Netherlands ²	A1-shares	23

Registered offices:

(1) Victoria Place, 31 Victoria Street, Hamilton, HM10, Bermuda; (2) TMF, Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, Netherlands; (3) 19 Berkeley Street, London W1J 8ED; (4) Almosenberg, 97877, Wertheim, Germany; (5) Zetellaan 100, 3630 Maasmechelen, Belgium.

HAMMERSON (VALUE RETAIL INVESTMENTS) LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

7. PAYABLES: CURRENT LIABILITIES

	2022 £'000	2021 £'000
Deferred income	18,146	21,494
Amounts owed to ultimate parent company	<u>443,082</u>	<u>430,810</u>
	<u>461,228</u>	<u>452,304</u>

Amounts owed to the ultimate parent company are repayable on demand and interest bearing. Interest is charged at variable rates which have historically been based on LIBOR. With effect from 1 January 2022, LIBOR was replaced with SONIA (Sterling Overnight Index Average). All amounts are unsecured.

8. CALLED UP SHARE CAPITAL

	2022 £'000	2021 £'000
Authorised:		
50,000,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

9. RESERVES

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

Retained earnings	Cumulative profits and losses less any dividends paid
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10. 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.

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 December 2022, the Company's ultimate parent company and controlling party 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 2022, the Company's immediate parent company was Hammerson UK Properties Limited, 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, Marble Arch House, 66 Seymour Street, London, W1H 5BX.