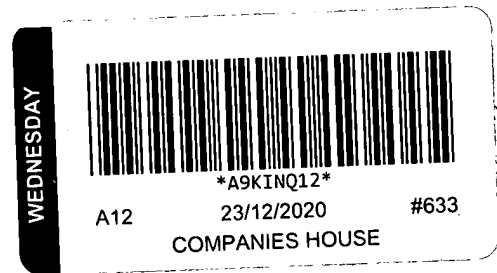


Registered Number: 06663404

**HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**Year ended 31 December 2019**



## **HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

### **DIRECTORS' REPORT**

Year ended 31 December 2019

The Directors submit their report and the audited financial statements for Hammerson (Bristol Investments) Limited (the "Company") for the year ended 31 December 2019.

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 act as an investment holding company in the United Kingdom. The Directors do not anticipate any significant change in the principal activity in the foreseeable future.

An assessment of the impact the Covid-19 pandemic has had on the business and how this may affect its activities in the future is provided in the post balance sheet events note 14 to the financial statements.

#### **2. RESULTS AND DIVIDENDS**

The loss for the year after tax was £43,751,000 (2018: £27,315,000). The Directors do not recommend the payment of a dividend for the year (2018: £nil).

Net assets for the Company as at 31 December 2019 were £193,575,000 (2018: £237,326,000).

#### **3. DIRECTORS**

- (a) Mr. W.S. Austin and Mr. R.G. Shaw were Directors of the Company throughout the year and were in office at the date of approval of this report.
- (b) Mr. N.T. Drakesmith resigned as a Director of the Company on 1 October 2019.
- (c) Mr. J.A. Lenton was appointed as a Director of the Company on 30 October 2019 and was in office at the date of approval of this report.
- (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.

#### **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 on the balance sheet as at 31 December 2019 and, having taken into account the existing and anticipated effects of Covid-19 and the letter of support received from Hammerson plc, its ultimate parent company, concluded that it was appropriate.

The letter of support states the intent to provide the necessary financial support to ensure the Company is a going concern for at least twelve months from the date of signing of these financial statements. More information is provided in note 1(b) to the financial statements.

## **HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**Year ended 31 December 2019**

#### **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. INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP resigned as auditors to the Company and BDO LLP were appointed. BDO 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.

BDO LLP have indicated their willingness to continue in office.

#### **8. 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.

**HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

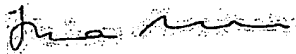
**Year ended 31 December 2019**

**9. DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors of the Company at the time when this report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



**J. Crane**  
For and on behalf of  
Hammerson Company Secretarial Limited  
acting as Secretary  
Date: 18 December 2020

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

## **HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

We have audited the financial statements of Hammerson (Bristol Investments) Limited (the "Company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMMERSON (BRISTOL INVESTMENTS) LIMITED  
(CONTINUED)

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMMERSON (BRISTOL INVESTMENTS) LIMITED  
(CONTINUED)

**Use of our report**

This report is made solely to the Company's members, as a body, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

**Christopher Wingrave (Senior Statutory Auditor)**

For and on behalf of BDO LLP, statutory auditor

Gatwick, United Kingdom

Date: 18 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**HAMMERSON (BRISTOL INVESTMENTS) LIMITED****STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2019**

	<b>Note</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Administrative expenses	2	<b>(2,943)</b>	(2,639)
Increase in impairment provision on investments	3	<b><u>(61,175)</u></b>	<u>(32,970)</u>
Operating loss		<b>(64,118)</b>	(35,609)
Investment income	4	<b><u>21,572</u></b>	<u>9,740</u>
Loss on ordinary activities before net finance costs		<b>(42,546)</b>	(25,869)
Net finance costs	5	<b><u>(1,205)</u></b>	<u>(1,446)</u>
<b>Loss before and after taxation and total comprehensive expense for the financial year</b>		<b><u>(43,751)</u></b>	<u>(27,315)</u>

All amounts relate to continuing activities.



**HAMMERSON (BRISTOL INVESTMENTS) LIMITED****BALANCE SHEET****As at 31 December 2019**

	Note	2019		2018	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Investments	7		239,159		291,262
<b>Current assets</b>					
Receivables	8	715		1,765	
<b>Current liabilities</b>					
Payables	9	(46,299)		(55,701)	
<b>Net current liabilities</b>			(45,584)		(53,936)
<b>Net assets</b>			193,575		237,326
<b>Capital and reserves</b>					
Called up share capital	10		100,000		100,000
Retained earnings	11		93,575		137,326
<b>Total equity</b>			193,575		237,326

These financial statements were authorised for issue by the Board of Directors on 18 December 2020 and were signed on its behalf.

**W.S. Austin**

Director

Company Number: 06663404

**HAMMERSON (BRISTOL INVESTMENTS) LIMITED****STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2019**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
At 1 January 2018	100,000	164,641	264,641
Loss and total comprehensive expense for the year	-	(27,315)	(27,315)
At 31 December 2018	100,000	137,326	237,326
Loss and total comprehensive expense for the year	-	(43,751)	(43,751)
<b>At 31 December 2019</b>	<b>100,000</b>	<b>93,575</b>	<b>193,575</b>

## HAMMERSON (BRISTOL INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

#### 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

Hammerson (Bristol 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 Kings Place, 90 York Way, London N1 9GE.

##### *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 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(j).

##### *Disclosure exemptions adopted*

The following exemptions from the requirements of IFRS have, where relevant, 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 (BRISTOL INVESTMENTS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 December 2019**

#### **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 what 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. These are separate financial statements. The financial statements of Hammerson plc are publicly available and can be obtained as described in note 13.

##### **(b) Going concern**

In considering going concern the Directors have initially assessed the existing and expected impact of the Covid-19 pandemic on the Company's activities and the appropriateness of the use of the going concern basis. An outline of the current effects of the pandemic on the business is included in the post balance sheet events note 14 to the financial statements.

In addition, the Directors note that although the Company has net assets, with no external borrowings or debt covenants, as at 31 December 2019 it has net current liabilities and is reliant on the continued 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 and other group undertakings.

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 received 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.

In forming an assessment as to whether Hammerson plc has the ability to provide the necessary financial support, the Directors have considered the forecast cash flows of the Hammerson plc group (the "Group") and note that the Group has substantial forecast liquidity for at least twelve months from the date of signing the Company's financial statements.

However, the Directors also reviewed the interim financial statements for Hammerson plc to 30 June 2020, which were published on 6 August 2020. The Directors noted the inclusion of a material uncertainty over going concern within those interim financial statements. This highlighted that the Group was forecast to breach certain of its debt covenants under a severe but plausible scenario, and that the key mitigating actions to resolve these breaches, namely an equity raise and the disposal of substantially all of the Group's investment in VIA Outlets, were still subject to a joint shareholder vote as at the date of approval of the interim financial statements. In addition, the resolution of the breaches was subject to the successful completion of the equity raise and therefore the associated proceeds could not be regarded as secured at the time of signing those interim financial statements on 6 August 2020.

## HAMMERSON (BRISTOL INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2019

#### 1. ACCOUNTING POLICIES (continued)

##### (b) Going concern (continued)

Subsequent to 6 August 2020, the equity raise and disposal were approved at the General Meeting of Hammerson plc shareholders on 1 September 2020. Furthermore, the equity raise closed on 25 September 2020 and raised gross proceeds of approximately £552 million, and the disposal of substantially all of the Group's investment in VIA Outlets completed on 31 October 2020 and raised further gross proceeds of approximately £277 million.

Accordingly, both drivers of the material uncertainty over going concern within the Hammerson plc interim financial statements have now been resolved.

Consequently, the Directors are satisfied they can rely on the letter of support from Hammerson plc and they have a reasonable expectation that the Company will have access to adequate resources to continue in existence for at least twelve months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

##### (c) Administrative expenses

Administrative expenses are expensed as incurred in the period to which they relate.

##### (d) Investment income

Investment income represents the Company's share of the profit distributions receivable from the Bristol Alliance Limited Partnership and is included within the statement of comprehensive income.

##### (e) Net finance costs

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

##### (f) Fixed asset investments

Fixed asset investments, including investments in subsidiaries and other related undertakings, are stated at cost less provision for impairment. Decreases or increases in the impairment provision occur when the carrying value of the asset increases or decreases respectively as a result of revaluation gains or losses.

##### (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.

##### (h) 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.

## **HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 31 December 2019**

#### **1. ACCOUNTING POLICIES (continued)**

##### **(i) 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 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.

##### **(j) Critical accounting policies**

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 ongoing 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's investments includes its investment in the Bristol Alliance Limited Partnership (the "Partnership"), which is carried in the balance sheet at historical cost less provision for impairment, which is assessed by the Directors based upon the net assets of the Partnership in which the Company invests. The principal asset of the Partnership is its investment properties which are valued six monthly by professionally qualified external valuers. The Directors must ensure they are satisfied that the Company's investment in the Partnership is appropriate for the financial statements. The basis of valuation of the Partnership's investment properties is set out in the notes to the financial statements of the Partnership for the year ended 31 December 2019.

## HAMMERSON (BRISTOL INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2019

#### 2. ADMINISTRATIVE EXPENSES

	2019 £'000	2018 £'000
Management fee payable to fellow group company	<u>2,943</u>	<u>2,639</u>

The average number of employees during the year was nil (2018: nil).

The Directors did not receive any remuneration for their services from the Company in the year (2018: £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.

Another group company has paid the auditors' fees for the audit of the Company's annual financial statements in both the current and preceding financial year. Fees for the audit of the Company were £1,645 (2018: £1,530).

#### 3. INCREASE IN IMPAIRMENT PROVISION ON INVESTMENTS

	2019 £'000	2018 £'000
Increase in impairment provision on investment in the Bristol Alliance Limited Partnership – note 7	<u>(61,175)</u>	<u>(32,970)</u>

#### 4. INVESTMENT INCOME

	2019 £'000	2018 £'000
Distributions receivable from the Bristol Alliance Limited Partnership	<u>21,572</u>	<u>9,740</u>

#### 5. NET FINANCE COSTS

	2019 £'000	2018 £'000
Interest payable to ultimate parent company	<u>1,205</u>	<u>1,446</u>

#### 6. 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 limited 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 taxable profits covered by group relief for the year ended 31 December 2019 are £34,000 (2018: £26,000). The Company therefore had no tax charge for the year, and this is expected to continue for the foreseeable future.

## HAMMERSON (BRISTOL INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2019

#### 7. INVESTMENTS

Investment in the Bristol Alliance Limited Partnership.

	Cost £'000	Impairment provision £'000	Carrying value £'000
At 1 January 2018	365,226	(40,994)	324,232
Movement in impairment provision - note 3	-	(32,970)	(32,970)
At 31 December 2018 / 1 January 2019	365,226	(73,964)	291,262
Increase in Partners' equity loans	9,072	-	9,072
Movement in impairment provision - note 3	-	(61,175)	(61,175)
At 31 December 2019	<b>374,298</b>	<b>(135,139)</b>	<b>239,159</b>

The Company has a 49.95% interest in the Bristol Alliance Limited Partnership (the "Partnership"). The Partnership is registered in England and Wales and holds for investment the Cabot Circus Shopping Centre in Bristol. The address of the Partnership's registered office is Kings Place, 90 York Way, London N1 9GE.

During the year, an additional £18,162,000 (2018: £nil) of Partners' equity loans were made to the Partnership by the Limited Partners and the General Partner. The Company contributed £9,072,000 in proportion to its interest in the Partnership.

#### 8. RECEIVABLES: CURRENT ASSETS

	2019 £'000	2018 £'000
Amounts owed by immediate parent company	531	1,581
Amounts owed by fellow subsidiary undertakings	171	171
Other receivables	13	13
	<b>715</b>	<b>1,765</b>

All amounts shown under receivables fall due for payment within one year and are repayable on demand. The amounts owed are unsecured. Amounts owed by the immediate parent company and fellow subsidiary undertakings are non-interest bearing.



## HAMMERSON (BRISTOL INVESTMENTS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2019

#### 9. PAYABLES: CURRENT LIABILITIES

	2019 £'000	2018 £'000
Amounts owed to ultimate parent company	45,336	55,139
Amounts owed to fellow subsidiary undertakings	963	562
	<u>46,299</u>	<u>55,701</u>

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

#### 10. CALLED UP SHARE CAPITAL

	2019 £'000	2018 £'000
<b>Authorised:</b>		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid:</b>		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

#### 11. 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

#### 12. 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.

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

At 31 December 2019, 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 2019, 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.

#### 14. POST BALANCE SHEET EVENTS

The effects of the Covid-19 pandemic are the result of events that arose after the reporting date and therefore this is a non-adjusting post balance sheet event. No changes have been made, or are required, to the Company's statement of comprehensive income or balance sheet. The going concern implications for the business are discussed in note 1(b) to the financial statements and further details on the potential impact on the business in the year ending 31 December 2020 are set out below.

## **HAMMERSON (BRISTOL INVESTMENTS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Year ended 31 December 2019

#### **14. POST BALANCE SHEET EVENTS (continued)**

The Company has a 49.95% interest in the Bristol Alliance Limited Partnership (the "Partnership"). As a result of the Covid-19 pandemic, on 23 March 2020, the Partnership's investment property, Cabot Circus Shopping Centre in Bristol, was closed and subsequently reopened on 15 June 2020, having complied with Government safeguarding restrictions. A further national lockdown period was also introduced from 3 November to 2 December 2020. Only retailers providing essential services and supplies continued to trade during the lockdown periods. This unprecedented situation has had a significant impact on the Partnership's business.

The asset management team are in dialogue with tenants to provide support to ensure continuity of tenants' businesses and collect arrears where possible. Where appropriate, flexible repayment terms or rent waivers have been offered.

Footfall is currently lower than comparable periods pre-lockdown, due in part to: requirements to maintain social distancing; the mandatory wearing of face-coverings; additional sanitisation requirements; and a reduction in consumers' use of public transport. Footfall has steadily increased and in October 2020 was averaging 19% below 2019 levels, with cumulative footfall from 15 June to 31 October 2020 approximately 28% below 2019 levels. However it is difficult to predict how customer behaviour will evolve with regards to spending.

Whilst Covid-19 is not likely to have a significant impact on the Company's administrative expenses or net finance costs, it is anticipated that net rental income levels for the Partnership in 2020 will be materially lower than the prior year, and property valuations may reduce, which may result in reduced income distributions by the Partnership and an impairment provision against the Company's investment in the Partnership in 2020. It is not currently possible to quantify the financial effects of these changes.