

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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HAMMERSON (BRISTOL INVESTMENTS) LIMITED

COMPANY INFORMATION

Directors	H H Raja R G Shaw
Company secretary	Hammerson Company Secretarial Limited
Registered number	06663404
Registered office	Kings Place 90 York Way London N1 9GE

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

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HAMMERSON (BRISTOL INVESTMENTS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is to act as an investment holding company in the United Kingdom. The Company has a 49.95% interest in the Bristol Alliance Limited Partnership (the "Partnership"), which owns and operates Cabot Circus Shopping Centre in Bristol.

Directors

The Directors who served during the year were:

H H Raja (appointed 26 April 2021)
W S Austin (resigned 11 November 2021)
J A Lenton (resigned 26 April 2021)
R G Shaw

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 2021 and concluded that it was appropriate. More information is provided in note 2.4 to the financial statements.

Qualifying third party indemnity provisions

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 approval of this report.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 1 November 2022 and signed on its behalf.



R G Shaw
Director

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Administrative expenses		(3,420)	(2,789)
Increase in impairment provision on investments	9	(24,446)	(71,360)
Investment income	6	5,000	-
Operating loss		(22,866)	(74,149)
Net finance costs	7	(1,086)	(1,146)
Loss before tax		(23,952)	(75,295)
Tax on loss	8	-	-
Loss for the financial year		(23,952)	(75,295)

There was no other comprehensive income for 2021 (2020: £Nil).

All amounts relate to continuing activities.

The notes on pages 5 to 10 form part of these financial statements.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED
REGISTERED NUMBER: 06663404

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Non-current assets			
Investments	9	143,353	167,799
		<u>143,353</u>	<u>167,799</u>
Current assets			
Receivables	10	5,171	171
		<u>5,171</u>	<u>171</u>
Current liabilities			
Payables	11	(54,196)	(49,690)
		<u>(54,196)</u>	<u>(49,690)</u>
Net current liabilities		<u>(49,025)</u>	<u>(49,519)</u>
Total assets less current liabilities		<u>94,328</u>	<u>118,280</u>
Net assets		<u>94,328</u>	<u>118,280</u>
Capital and reserves			
Called up share capital	12	100,000	100,000
(Accumulated losses)/Retained earnings	13	(5,672)	18,280
Total equity		<u>94,328</u>	<u>118,280</u>

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 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 approved and authorised for issue by the board and were signed on its behalf on 1 November 2022.



R G Shaw
Director

The notes on pages 5 to 10 form part of these financial statements.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Retained earnings/ (Accumulated losses) £000	Total equity £000
At 1 January 2020	100,000	93,575	193,575
Comprehensive loss for the year			
Loss for the year	-	(75,295)	(75,295)
Total comprehensive loss for the year	-	(75,295)	(75,295)
At 1 January 2021	100,000	18,280	118,280
Comprehensive loss for the year			
Loss for the year	-	(23,952)	(23,952)
Total comprehensive loss for the year	-	(23,952)	(23,952)
At 31 December 2021	100,000	(5,672)	94,328

The notes on pages 5 to 10 form part of these financial statements.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Hammerson (Bristol Investments) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The nature of the Company's operations and its principal activities are set out in the Directors' Report. The address of the registered office is Kings Place, 90 York Way, London, N1 9GE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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 are publicly available and can be obtained as described in note 14.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Impact of new international reporting standards, amendments and interpretations

Interest Rate Benchmark Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021. The amendments provide relief to the Company in respect of certain loans (note 10) whose contractual terms are affected by interest benchmark reform.

With effect from 31 December 2021, LIBOR has been replaced across all intercompany loans by SONIA (Sterling Overnight Index Average).

The Directors do not consider the above amendments or any other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2021 to have had a material impact on the Company.

2.4 Going concern

The Company has net current liabilities as at 31 December 2021 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 to amounts due to Hammerson plc and to fellow 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 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.

2.5 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.

2.6 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.

2.7 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. As the subsidiaries and other related undertakings have an obligation to fully distribute their income, any income accrued in the subsidiaries and other related undertakings is accounted for as a distribution receivable in the investing company.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 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, including intercompany loans, are subsequently carried at amortised cost using the effective interest method.

Financial assets and financial 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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 assets of the Partnership are 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 2021.

The only other significant judgement necessary in the preparation of these financial statements was the appropriateness of the going concern basis of preparation, further information on which is provided in note 2.4.

4. Auditor's remuneration

Another group company paid the auditor's fees for the audit of the Company's annual financial statements in the prior year. Fees for the audit of the Company in the prior year were £1,700.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Employees

The Company had no employees other than the Directors during the current or prior year.

The Directors did not receive any remuneration for their services from the Company in the year (2020: £Nil), having been paid by other group undertakings. It is deemed impractical to allocate their remuneration between group undertakings for the purpose of this disclosure. In addition there were no payments to key management personnel in either the current or preceding financial year.

6. Investment income

	2021 £000	2020 £000
Distributions receivable from the Bristol Alliance Limited Partnership	<u>5,000</u>	<u>-</u>

7. Net finance costs

	2021 £000	2020 £000
Interest payable to ultimate parent company	<u>1,086</u>	<u>1,146</u>

8. 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 arising 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's share of the taxable interest income of the Bristol Alliance Limited Partnership was £1,000 (2020: £11,000). As these profits are offset by group relief, the Company 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 FOR THE YEAR ENDED 31 DECEMBER 2021

9. Investments

Investment in the Bristol Alliance Limited Partnership:

	2021 £000	2020 £000
Cost		
At 1 January	374,298	374,298
	<u>374,298</u>	<u>374,298</u>
At 31 December		
Impairment provision		
At 1 January	(206,499)	(135,139)
Movement in impairment provision	(24,446)	(71,360)
	<u>(230,945)</u>	<u>(206,499)</u>
At 31 December		
Carrying value		
At 1 January	167,799	239,159
At 31 December	<u>143,353</u>	<u>167,799</u>

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.

10. Receivables

	2021 £000	2020 £000
Amounts owed by the Bristol Alliance Limited Partnership	171	171
Amounts owed by immediate parent company	5,000	-
	<u>5,171</u>	<u>171</u>

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 Bristol Alliance Limited Partnership and amounts owed by the immediate parent company are non-interest bearing.

HAMMERSON (BRISTOL INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Payables

	2021 £000	2020 £000
Amounts owed to ultimate parent company	52,858	47,653
Amounts owed to fellow group undertakings	1,338	2,037
	<u>54,196</u>	<u>49,690</u>

Amounts owed by the ultimate parent company are interest bearing 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). Amounts owed to fellow group undertakings are repayable on demand and are non-interest bearing. All amounts owed are unsecured.

12. Called up share capital

	2021 £000	2020 £000
Authorised, allotted, called up and fully paid		
100,000,000 (2020: 100,000,000) ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>

13. Reserves

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

(Accumulated losses)/Retained earnings

The reserve represents cumulative profits and losses less any dividends paid.

14. Controlling party

At the end of the current and preceding year, 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 the end of the current and preceding year, the Company's immediate parent company was Hammerson UK Properties Limited (formerly 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.