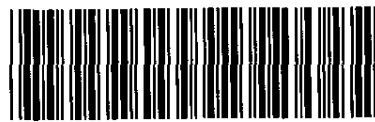


HAMMERSON MGLP LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



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HAMMERSON MGLP LIMITED

COMPANY INFORMATION

Directors	H A Badham P J Denby H H Raja R G Shaw
Company secretary	Hammerson Company Secretarial Limited
Registered number	03768311
Registered office	Kings Place 90 York Way London N1 9GE

HAMMERSON MGLP LIMITED

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HAMMERSON MGLP 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 33.18% interest in The Martineau Galleries Limited Partnership (the "Partnership"). The Partnership holds for investment the Martineau Galleries Shopping Centre in Birmingham. The Directors do not anticipate any significant change in the Company's or the Partnership's principal activity in the foreseeable future.

Directors

The Directors who served during the year and to the date of this report were:

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

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.

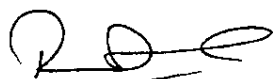
Qualifying third party indemnity provisions

The Company's ultimate parent company, Hammerson plc, has made 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.

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.



P J Denby
Director

HAMMERSON MGLP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
(Increase)/Decrease in impairment provision on investments	8	(669)	526
Operating (loss)/profit	4	(669)	526
Net finance cost	6	-	(97)
(Loss)/Profit before tax		(669)	429
Tax on (loss)/profit	7	-	-
(Loss)/Profit for the financial year		(669)	429

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

All amounts relate to continuing activities.

The notes on pages 5 to 9 form part of these financial statements.

HAMMERSON MGLP LIMITED
REGISTERED NUMBER: 03768311

BALANCE SHEET
AS AT 31 DECEMBER 2021

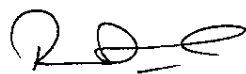
		2021 £000	2020 £000
Non-current assets			
Investments	8	27,903	28,572
		<u>27,903</u>	<u>28,572</u>
Current liabilities			
Payables	9	(17,085)	(17,085)
		<u>(17,085)</u>	<u>(17,085)</u>
Net current liabilities		<u>(17,085)</u>	<u>(17,085)</u>
Total assets less current liabilities		<u>10,818</u>	<u>11,487</u>
Net assets		<u>10,818</u>	<u>11,487</u>
Capital and reserves			
Called up share capital	10	12,000	12,000
Accumulated losses	11	(1,182)	(513)
Total equity		<u>10,818</u>	<u>11,487</u>

The Company was 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.



P J Denby
Director

The notes on pages 5 to 9 form part of these financial statements.

HAMMERSON MGLP LIMITED

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

	Called up share capital	Accumulated losses	Total equity
	£000	£000	£000
At 1 January 2020	12,000	(942)	11,058
Comprehensive income for the year			
Profit for the year	-	429	429
Total comprehensive income for the year	-	429	429
At 1 January 2021	12,000	(513)	11,487
Comprehensive loss for the year			
Loss for the year	-	(669)	(669)
Total comprehensive loss for the year	-	(669)	(669)
At 31 December 2021	12,000	(1,182)	10,818

The notes on pages 5 to 9 form part of these financial statements.

HAMMERSON MGLP LIMITED

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

1. General information

Hammerson MGLP Limited is a private company limited by shares, domiciled 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.

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;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- 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 12.

2.3 Impact of new international reporting standards, amendments and interpretations

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2021 that have had a material impact on the Company.

HAMMERSON MGLP LIMITED

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

2. Accounting policies (continued)

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 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 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 on borrowings and interest payable to related party undertakings, net of interest receivable on funds invested and is included in the Statement of Comprehensive Income. All interest is recognised using the effective interest method.

2.6 Valuation of investments

Investments 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.

2.7 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 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 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, 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.

HAMMERSON MGLP LIMITED

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

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 include its investment in The Martineau Galleries 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.

This approach involves applying capitalisation yields to estimated future rental income streams reflecting contracted income reverting to ERV with appropriate adjustments for income voids arising from vacancies, lease expiries or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be key inputs to the valuations. Where comparable evidence of yield movement is lacking, valuers are reliant on sentiment or the movement of less comparable assets.

In addition, a 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 £1,175.

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. Net finance costs

	2021 £000	2020 £000
Interest payable to ultimate parent company	-	97

HAMMERSON MGLP LIMITED

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

7. Tax on (loss)/profit

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's share of the taxable interest income of The Martineau Galleries Limited Partnership was £Nil (2020: £Nil). Consequently the Company had no tax charge this year and any future profits would be expected to be offset by group relief which is expected to continue for the foreseeable future.

8. Investments

	2021 £000	2020 £000
Cost		
At 1 January	36,450	36,450
At 31 December	36,450	36,450
Impairment		
At 1 January	(7,878)	(8,404)
Movement in impairment provision	(669)	526
At 31 December	(8,547)	(7,878)
Carrying value		
At 1 January	28,572	28,046
At 31 December	27,903	28,572

The Company has a 33.18% (2020: 33.18%) interest in The Martineau Galleries Limited Partnership (the "Partnership") that owns and manages a portfolio of properties in Birmingham. The remaining interests in the Partnership are held by fellow subsidiaries of Hammerson plc. The registered office of the Partnership is Kings Place, 90 York Way, London N1 9GE.

HAMMERSON MGLP LIMITED

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

9. Payables

	2021 £000	2020 £000
Amounts owed to ultimate parent company	5,101	5,101
Amounts owed to The Martineau Galleries Limited Partnership	11,984	11,984
	<u>17,085</u>	<u>17,085</u>

All amounts owed are unsecured and repayable on demand. Amounts owed to the ultimate parent company were interest bearing at variable rates based on LIBOR. With effect from 1 January 2021 the amounts owed were non-interest bearing. Amounts owed to The Martineau Galleries Limited Partnership are non-interest bearing.

10. Called up share capital

	2021 £000	2020 £000
Authorised		
25,000,000 (2020: 25,000,000) Ordinary shares of £1.00 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid		
12,000,000 (2020: 12,000,000) Ordinary shares of £1.00 each	<u>12,000</u>	<u>12,000</u>

11. Reserves

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

Accumulated losses

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

12. 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.