

**HAMMERSON (VICTORIA INVESTMENTS) LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



# **HAMMERSON (VICTORIA INVESTMENTS) LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	P J Denby D M E Page
<b>Company secretary</b>	Hammerson Company Secretarial Limited
<b>Registered number</b>	08047957
<b>Registered office</b>	Kings Place 90 York Way London N1 9GE

# **HAMMERSON (VICTORIA INVESTMENTS) LIMITED**

## **CONTENTS**

	Page
<b>Directors' Report</b>	1
<b>Statement of Comprehensive Income</b>	2
<b>Balance Sheet</b>	3
<b>Statement of Changes in Equity</b>	4
<b>Notes to the Financial Statements</b>	5 - 12

## **HAMMERSON (VICTORIA 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 property investment in the United Kingdom. In December 2021, the Company disposed of its investment property. The Directors anticipate there will be residual property-related activities in the foreseeable future.

#### **Directors**

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

M R Bourgeois (resigned 11 November 2021)

T Cochrane (resigned 19 May 2021)

P J Denby

A J Dunning (appointed 11 November 2021, resigned 15 February 2022)

D M E Page was appointed as a Director after the year end on 15 February 2022.

#### **Going concern**

The Directors have considered the use of the going concern basis in the preparation of the financial statements 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 3 November 2022 and signed on its behalf.



**P J Denby**  
Director

**HAMMERSON (VICTORIA INVESTMENTS) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Revenue	4	297	235
Rents payable and other property outgoings	4	(22)	(1)
<b>Net rental income</b>	4	<b>275</b>	234
Administrative expenses	5	(159)	(98)
<b>Operating profit before profit on sale of properties and property revaluation gains</b>		<b>116</b>	136
Revaluation gains on properties		-	475
Profit on sale of properties	10	7,655	1,101
<b>Operating profit</b>		<b>7,771</b>	1,712
Net finance income/(costs)	8	56	(54)
<b>Profit before tax</b>		<b>7,827</b>	1,658
Tax on profit	9	-	-
<b>Profit after taxation for the financial year</b>		<b>7,827</b>	1,658

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

All amounts relate to continuing activities.

The notes on pages 5 to 12 form part of these financial statements.

**HAMMERSON (VICTORIA INVESTMENTS) LIMITED**  
**REGISTERED NUMBER: 08047957**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Non-current assets</b>			
Investment property	11	-	6,600
<b>Current assets</b>			
Receivables	12	14,477	9,062
Cash and deposits	13	-	141
		<u>14,477</u>	<u>9,203</u>
<b>Current liabilities</b>			
Payables	14	(1,724)	(4,527)
		<u>12,753</u>	<u>4,676</u>
<b>Net current assets</b>			
		<u>12,753</u>	<u>11,276</u>
<b>Total assets less current liabilities</b>			
		<u>12,753</u>	<u>11,276</u>
<b>Non-current liabilities</b>			
Payables	15	-	(6,350)
		<u>12,753</u>	<u>4,926</u>
<b>Net assets</b>			
		<u>12,753</u>	<u>4,926</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Retained earnings	17	12,752	4,925
		<u>12,753</u>	<u>4,926</u>
<b>Total equity</b>			
		<u>12,753</u>	<u>4,926</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 3 November 2022.



**P J Denby**  
Director

The notes on pages 5 to 12 form part of these financial statements.

# HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

	Called up share capital £000	Retained earnings £000	Total equity £000
<b>At 1 January 2020</b>	<b>1</b>	<b>3,267</b>	<b>3,268</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,658	1,658
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,658</b>	<b>1,658</b>
<b>At 1 January 2021</b>	<b>1</b>	<b>4,925</b>	<b>4,926</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	7,827	7,827
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>7,827</b>	<b>7,827</b>
<b>At 31 December 2021</b>	<b>1</b>	<b>12,752</b>	<b>12,753</b>

The notes on pages 5 to 12 form part of these financial statements.

## **HAMMERSON (VICTORIA INVESTMENTS) LIMITED**

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

#### **1. General information**

Hammerson (Victoria 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 on 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;
  - 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 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 19.



## **HAMMERSON (VICTORIA 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 14) 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**

Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### **2.5 Net rental income**

Rental income from investment property leased out under an operating lease is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term. Non-rental income such as car park or commercialisation income or contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the period in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Property operating expenses, including any operating expenditure not recovered from tenants through service charges, are charged to the Statement of Comprehensive Income as incurred.

##### **2.6 Profits on sale of investment properties**

Profits on sale of investment properties are taken into account on completion of contract, and are calculated by reference to the carrying value at the end of the previous year, adjusted for subsequent capital expenditure.

##### **2.7 Net finance income/(costs)**

Net finance income includes interest receivable from related party undertakings and funds invested net of interest payable to related party undertakings and interest payable on borrowings.

Net finance costs include interest payable on borrowings and interest payable to related party undertakings, net of interest receivable on funds invested. All interest receivable and payable is recognised in the Statement of Comprehensive Income.

##### **2.8 Investment property**

The Company applied the fair value accounting model to investment properties, being market value determined by professionally qualified external valuers. Changes in fair value are recognised in the Statement of Comprehensive Income. All costs directly associated with the purchase and construction of a property are capitalised.

## HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

#### 2. Accounting policies (continued)

##### 2.9 Cash and deposits

Cash and deposits comprise cash and short-term bank deposits with an original maturity of three months or less which are readily accessible.

##### 2.10 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 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.

Up until the sale of the Company's investment property in December 2021, the Company's critical judgement and area of uncertainty was in respect of the carrying value of the investment property. The Company's investment property, which was carried in the Balance Sheet at fair value, was valued six monthly by professionally qualified external valuers and the Directors had to ensure that they were satisfied that the valuation of the Company's property was appropriate for the financial statements. Investment properties, excluding properties held for development, were valued by adopting the 'investment method' of valuation. This approach involved applying market-derived capitalisation yields to future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. These capitalisation yields and future income streams were derived from comparable property and leasing transactions and were considered to be key inputs. Other factors that were taken into account in the valuations included the tenure of the property, tenancy details and ground and structural conditions.

The Directors do not consider there to be any material judgements or key sources of estimation uncertainty.

# HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

### 4. Net rental income

	2021 £000	2020 £000
Base rent	139	49
Turnover rent	140	186
Other rental income	18	-
	<u>297</u>	<u>235</u>
<b>Gross rental income</b>		
Service charge expenses	(6)	-
Other property outgoings	(16)	(1)
	<u>(22)</u>	<u>(1)</u>
Rents payable and other property outgoings		
	<u>(22)</u>	<u>(1)</u>
<b>Net rental income</b>	<u>275</u>	<u>234</u>

All revenue arose within the United Kingdom.

### 5. Administrative expenses

	2021 £000	2020 £000
Management fee payable to fellow group company	159	98

### 6. 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.

### 7. 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.

# HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

### 8. Net finance income/(costs)

	2021 £000	2020 £000
Interest receivable from ultimate parent company	56	-
Interest payable to ultimate parent company	-	(54)
	<u>56</u>	<u>(54)</u>

### 9. Taxation

The Company's ultimate parent company, Hammerson plc is taxed as a UK Real Estate Investment Trust ("UK REIT"), and as a consequence, group companies are exempted from UK corporation tax on the profits of a UK property rental business and on the gains on UK investment properties.

Group companies remain subject to UK corporation tax on items other than UK property rental profits and gains on UK investment properties, but, as the Group has surplus tax losses, the Group's policy is for these taxable profits and losses to be fully offset by group relief surrendered without payment, so that individual subsidiaries do not bear tax.

The Company therefore had no tax charge for the current or preceding year, and this is expected to continue for the foreseeable future. The profits covered by group relief for the year ended 31 December 2021 are £56,000 (2020: £Nil).

### 10. Profit on sale of properties

	2021 £000	2020 £000
Gross proceeds on sale	14,313	1,125
Carrying value of properties sold	(6,600)	-
	<u>7,713</u>	<u>1,125</u>
Profit over carrying value		
Selling expenses	(58)	(24)
	<u>7,655</u>	<u>1,101</u>

# HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

### 11. Investment property

	Long leasehold £000
<b>Valuation</b>	
At 1 January 2021	6,600
Disposals	(6,600)
<b>At 31 December 2021</b>	<b>-</b>

In December 2021 the Company sold its property interest to a third-party.

### 12. Receivables

	2021 £000	2020 £000
Amounts owed by group undertakings	9,555	9,062
Amounts owed by ultimate parent company	4,922	-
	<b>14,477</b>	<b>9,062</b>

Amounts owed by the ultimate parent company are repayable on demand and 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 by group undertakings are repayable on demand, unsecured and non-interest bearing.

### 13. Cash and deposits

	2021 £000	2020 £000
Cash at bank	-	141

At 31 December 2020, the Company's managing agent held cash on behalf of the Company, which was not restricted and was available to the Company and therefore was included in cash and deposits.

# HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

### 14. Payables

	2021 £000	2020 £000
Trade creditors	5	-
Accruals	-	28
Deferred income	-	59
Amounts owed to ultimate parent company	-	2,795
Amounts owed to fellow group undertakings	169	108
Other payables	1,550	1,537
	<u>1,724</u>	<u>4,527</u>

Amounts owed to the ultimate parent company are repayable on demand and 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.

### 15. Payables: non-current liabilities

	2021 £000	2020 £000
<b>Other payables</b>		
- From one to two years	-	25
- From two to five years	-	75
- Over five years	-	6,250
	<u>-</u>	<u>6,350</u>

### 16. Called up share capital

	2021 £000	2020 £000
<b>Authorised, allotted, called up and fully paid</b>		
1,000 (2020: 1,000) ordinary shares of £1.00 each	<u>1</u>	<u>1</u>

### 17. Reserves

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

#### Retained earnings

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

## HAMMERSON (VICTORIA INVESTMENTS) LIMITED

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

#### 18. Commitments under operating leases

At the Balance Sheet date, the Company had contracted with tenants for the future minimum lease receipts as shown in the table below. The data is for the period to the first tenant break option.

	2021 £000	2020 £000
Within one year	-	49
From one to two years	-	49
From two to five years	-	146
Over five years	-	5,267
	<hr/>	<hr/>
	-	5,511
	<hr/>	<hr/>

#### 19. Controlling party

At 31 December 2021, 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 2021, the Company's immediate parent company was Hammerson UK Properties Limited (formerly Hammerson UK Properties plc), a Company 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.