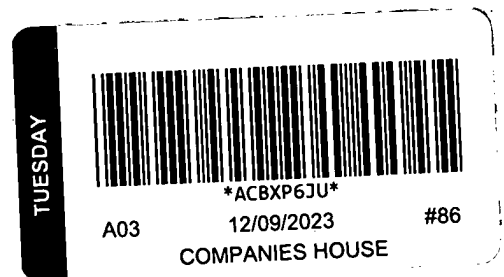


## **BUTTON (DRAKEHOUSE) LIMITED**

**Directors' report and unaudited financial statements  
for the year ended 31 December 2022**

**Company registration number 6644668**



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The directors present their report together with the unaudited financial statements of Button (Drakehouse) Limited, (the 'Company') for the year ended 31 December 2022.

#### **Incorporation**

The Company was incorporated as a private company in England & Wales on 11 July 2008.

#### **Principal activity**

The principal activity of the Company is that of property investment in the United Kingdom.

#### **Directors**

The directors of the Company, who served during the year and subsequently are:

Hani Othman S Baothman  
Gerald Stewart Warwick  
Stuart Roderick Jenkin  
Nicholas John Bland (Alternate Director)  
Muhammad Currim Oozeer (Alternate Director)

#### **Secretary**

The secretary of the Company during the year and currently is:

Ocorian Secretaries (Jersey) Limited

#### **Results and distributions**

The results for the year are shown in the statement of income and retained deficit.

The directors have not paid distribution during the year ended 31 December 2022 (2021: £nil).

The directors do not recommend the payment of any final distribution in respect of the year ended 31 December 2022 (2021: £nil).

#### **Audit**

The Company is exempt from the requirements relating to preparing audited financial statements, in accordance with section 477 of the Companies Act 2006, on the basis that it is a small company.

### Statement of directors' responsibilities with regard to the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The directors are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. The directors have elected to prepare the financial statements in accordance with applicable Financial Reporting Standards ('FRS') in the United Kingdom and Republic of Ireland, including FRS 102 Section 1A Small Entities.

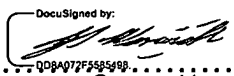
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. These records must disclose with reasonable accuracy at any time the financial position of the Company and to enable the directors to ensure that any financial statements prepared comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

By order of the board

  
DocuSigned by:  
..... Q08A072F5585498 .....  
Name: Gerry Warwick  
Director

Date

### Registered office

5th Floor  
20 Fenchurch Street  
London  
EC3M 3BY  
United Kingdom

**Button (Drakehouse) Limited**  
**Company registration number 6644668**  
**Statement of income and retained deficit**  
**31 December 2022**

		<b>31 December 2022</b>		<b>31 December 2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>	10		<b>2,856,444</b>		<b>3,602,848</b>
<b>Expenses</b>	11	<b><u>793,664</u></b>		<b><u>564,240</u></b>	
			<b><u>(793,664)</u></b>		<b><u>(564,240)</u></b>
<b>Operating profit</b>			<b>2,062,780</b>		<b>3,038,608</b>
Change in fair value of investment property	5		<b>(417,625)</b>		<b>-</b>
<b>Finance expense</b>					
Finance charges	12		<b><u>(775,350)</u></b>		<b><u>(760,229)</u></b>
<b>Net finance expense</b>			<b><u>(775,350)</u></b>		<b><u>(760,229)</u></b>
<b>Profit on ordinary activities before taxation</b>			<b>869,805</b>		<b>2,278,379</b>
Taxation	13		<b><u>(2,252)</u></b>		<b><u>(205,132)</u></b>
<b>Profit for the year</b>			<b>867,553</b>		<b>2,073,247</b>
<b>Retained deficit brought forward</b>			<b>(6,953,716)</b>		<b>(9,026,963)</b>
Distribution paid			<b><u>-</u></b>		<b><u>-</u></b>
<b>Retained deficit carried forward</b>			<b><u>(6,086,163)</u></b>		<b><u>(6,953,716)</u></b>

All the items dealt with in arriving at the result for the financial year relate to continuing operations.

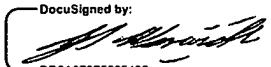
The notes on pages 6 to 11 are an integral part of these financial statements.

**Button (Drakehouse) Limited**  
**Statement of financial position**  
**As at 31 December 2022**

	Notes	31 December 2022	31 December 2021
		£	£
<b>Non-current assets</b>			
Investment property	5	58,649,561	58,517,625
<b>Current assets</b>			
Trade and other receivables	6	<u>5,639,949</u>	<u>5,357,514</u>
<b>Creditors (amounts falling due within one year)</b>			
Trade and other payables	7	<u>1,747,798</u>	<u>1,648,659</u>
<b>Net current assets</b>		<u>3,892,151</u>	<u>3,708,855</u>
<b>Total assets less current liabilities</b>		<b>62,541,712</b>	<b>62,226,480</b>
<b>Creditors (amounts falling due after one year)</b>			
Shareholder's loan	8	<u>33,627,875</u>	<u>34,180,196</u>
<b>Net assets</b>		<u><b>28,913,837</b></u>	<u><b>28,046,284</b></u>
<b>Capital and reserves</b>			
Share capital	9	35,000,000	35,000,000
Retained deficit		<u>(6,086,163)</u>	<u>(6,953,716)</u>
<b>Shareholder's funds</b>		<u><b>28,913,837</b></u>	<u><b>28,046,284</b></u>

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 4 to 12 were approved by the board of directors and authorised for issue on 18 August 2023, and were signed on its behalf by:

DocuSigned by:  
  
 .....  
 Name: Gerry Warwick.....  
 Director

The notes on pages 6 to 11 are an integral part of these financial statements.

## 1 General information

The Company is an investment holding company.

The Company is incorporated and domiciled in England and Wales. The address of its registered office is 5th Floor, 20 Fenchurch Street, London, EC3M 3BY, United Kingdom.

## 2 Statement of compliance

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, including the Section 1A Small Entities.

## 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, except for the investment property which is measured at fair value, and in accordance with applicable accounting standards adopted in the United Kingdom, specifically FRS 102 Section 1A Small Entities.

These financial statements are presented in Pound Sterling ('£') which is the Company's functional and reporting currency.

The preparation of financial statements in accordance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

### Judgements in applying critical accounting policies and estimation uncertainties

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. Estimates and the underlying assumptions are reviewed on an 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.

### Income and expenditure

All other items of income and expenditure are accounted for on an accruals basis with the exception of administration fees which are borne by Button Investments Holdings Limited without recourse to the Company.

### Investment property

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Changes in fair value are recognised in the statement of income and retained deficit.

### Financial instruments

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

*Financial assets*

### 3 Summary of significant accounting policies (continued)

#### Financial instruments (continued)

Basic financial assets, including trade and other receivables are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### *Financial liabilities*

Basic financial liabilities, including trade and other payables and shareholder's loan are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares or options are shown in equity as a deduction, net of tax, from proceeds.

#### Distributions

Equity distributions are recognised when they become legally payable. Interim distributions are recognised when paid. Final dividends are recognised when approved by shareholders at the annual general meeting.

#### Taxation

As at reporting date, the Company is subject to corporation tax in the United Kingdom at a rate of 19% (2021: 19%) on rental income less allowable expenses.

### 4 Employees

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

Other than the amounts detailed in note 15, the directors did not receive any remuneration for services to the Company during the year (2021: £nil).



## 5 Investment property

	31 December 2022 £	31 December 2021 £
<b>Drakehouse Retail Park</b>		
Opening balance	58,517,625	58,517,625
Capitalised costs	549,562	-
Movement in fair value during the year	<u>(417,626)</u>	<u>-</u>
	<b><u>58,649,561</u></b>	<b><u>58,517,625</u></b>

On 12 May 2022, an external valuation was carried out on the Drakehouse property by Knight Frank LLP in accordance with the RICS Valuation - Global Standards which incorporate the International Valuation Standards, and the RICS UK National Supplement. It was concluded that the value of the Investment Property was £58,100,000 based on valuation technique using comparative and investment method. In determining the fair value significant assumptions were applied with regard to yield profile, rate per sq ft, occupancy and WAULT. Costs amounting to £549,562 have been capitalised during the year ended 31 December 2022 (2021: £nil).

The directors are of the opinion that the property's valuation as at 31 December 2022 was £58,649,561 which was a fair representation of its value.

## 6 Trade and other receivables

	31 December 2022 £	31 December 2021 £
Intercompany loan Button Property UK Limited	5,078,071	4,294,686
Trade debtors	189,163	853,228
Other debtors	142,287	115,234
Corporation tax receivable	125,000	-
Fidum Service Charge	101,999	90,937
Intercompany loan Button Property Limited	<u>3,429</u>	<u>3,429</u>
	<b><u>5,639,949</u></b>	<b><u>5,357,514</u></b>

## 7 Trade and other payables

	31 December 2022 £	31 December 2021 £
Accruals	662,585	478,580
Deferred rental income	456,779	193,967
Trade creditors	290,487	283,185
VAT payable	162,971	291,263
Client control account	82,546	57,329
Deferred insurance	37,165	31,712
Accounts payable	33,949	33,949
Service charge VAT balance with HMRC	21,316	17,062
Taxation payable	<u>-</u>	<u>261,612</u>
	<b><u>1,747,798</u></b>	<b><u>1,648,659</u></b>

## 8 Shareholder's loan

	31 December 2022 £	31 December 2021 £
<b>Amounts falling due after one year</b>		
Opening balance	34,180,196	35,714,534
Transfer to Intercompany loan Button Property UK Limited	-	(301,279)
Capital repayments	<u>(552,321)</u>	<u>(1,233,059)</u>
	<b>33,627,875</b>	<b>34,180,196</b>

Pursuant to the shareholder loan agreement, dated 21 April 2015, Button (Drakehouse) Limited borrowed £35,714,534 from Button Property UK Limited in order to repay its indebtedness to Hammerson UK Properties plc. The loan bears interest at 2.3% per annum and was repayable on 21 April 2019. On 17 April 2019 the repayment date was extended to 17 May 2024.

An amount of £301,279 has been reclassified from shareholder's loan to the intercompany loan balance with Button Property UK Limited to adjust the loan amount in line with the shareholder's loan agreement in the prior year.

Capital repayments of £552,321 (2021: £1,233,059) and interest expense of £775,350 was recognised on the shareholder's loan (2021: £760,229) during the year ended 31 December 2022.

## 9 Share capital

	31 December 2022 £	31 December 2021 £
<b>Authorised:</b>		
50,000,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued and fully paid:</b>		
35,000,000 ordinary shares of £1 each	<u>35,000,000</u>	<u>35,000,000</u>

## 10 Income

	31 December 2022 £	31 December 2021 £
Rental income	2,647,367	3,375,419
Service charge income	164,471	186,382
Insurance recharge	<u>44,606</u>	<u>41,047</u>
	<b>2,856,444</b>	<b>3,602,848</b>

## 11 Expenses

Management, advisory and professional fees	495,936	310,554
Service charge payable and other property outgoings	297,404	253,299
Other operating expenses	<u>324</u>	<u>387</u>
	<b>793,664</b>	<b>564,240</b>

## 11 Expenses (continued)

The Company's administration fees are paid by Button Investments Holdings Limited without recourse to the Company.

## 12 Net finance expenses

	31 December 2022 £	31 December 2021 £
Loan finance charges payable to shareholder	<u>775,350</u>	<u>760,229</u>

Finance charges are payable on the shareholder's loan as detailed in note 8 above.

## 13 Taxation

	31 December 2022 £	31 December 2020 £
<b>Current tax</b>		
UK corporation tax charged in the year	-	204,189
Underprovision in respect of previous years	<u>2,252</u>	<u>943</u>
	<u>2,252</u>	<u>205,132</u>

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom. The difference is explained below:

	31 December 2022 £	31 December 2020 £
Profit on ordinary activities before tax	869,805	2,278,379
Non-trade loan relationship debits per accounts	775,350	760,229
Unrealised fair value movement in investment property	417,625	-
Land surveying/ certification expenses	<u>-</u>	<u>53,082</u>
Adjusted profit on ordinary activities	<u>2,062,780</u>	<u>3,091,690</u>
Adjusted profit on ordinary activities at the standard rate of corporation tax in the UK of 19%	391,928	587,421
<b>Effects of:</b>		
Group relief claimed without payment	(391,928)	(383,232)
Under provision in respect of previous years	<u>2,252</u>	<u>943</u>
	<u>2,252</u>	<u>205,132</u>

## 14 Ultimate controlling party

The Company's parent is Button Property UK Limited, a company incorporated in England and Wales.

In the opinion of the directors, the ultimate controlling party is Ocorian Corporate Trustees (Jersey) Limited as trustee of the Button Purpose Trust.

## 15 Related party transactions

Corporate administration services are provided to the Company by Ocorian Fund Services (Jersey) Limited, which is a licensed and wholly owned subsidiary of Ocorian Limited. Ocorian Limited wholly owns Ocorian (UK) Limited, Ocorian Corporate Services (UK) Limited, Ocorian Services (UK) Limited, Ocorian Corporate Trustees (Jersey) Limited and Ocorian Secretaries (Jersey) Limited.

Fees for the administration of the Company are included in the amount invoiced by Ocorian Fund Services (Jersey) Limited to Button Investments Holdings Limited and the expense is borne by this company.

Gerald Stewart Warwick and Stuart Jenkin are employees of Ocorian Services (UK) Limited. No director fees were paid to them in relation to services provided to the Company during the year (2021: £nil) and no directors' fees were payable to them as at the year end (2021: £nil).

Hani Othman S Baothman is a director of Sidra Capital who invest in the Button structure. Sidra Capital is also the Strategic Advisor to the Company.

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings not to disclose details of all of its related party transactions with other wholly owned group companies.

## 16 Events after the reporting period

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 December 2022.