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## **BOX+ III HAILSHAM LIMITED**

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### **Directors' Report and Financial Statements**

**For the Year Ended 31 December 2022**

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**BOX+ III HAILSHAM LIMITED**

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**Company Information**

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**Directors**

A J Lambert (resigned 7 June 2023)  
J A Boadle  
A M Hodgetts (resigned 22 May 2023)  
R K Jhita (appointed 26 May 2023)  
A M Peters (appointed 8 June 2023)

**Company secretary**

Crestbridge Corporate Services Limited  
47 Esplanade  
St Helier  
Jersey  
JE1 0BD

**Registered number**

13325211

**Registered office**

8 Sackville Street  
London  
England  
W1S 3DG

**Independent auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

**BOX+ III HAILSHAM LIMITED**

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## **BOX+ III HAILSHAM LIMITED**

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### **Directors' Report For the Year Ended 31 December 2022**

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The Directors present their annual report and the audited financial statements for Box+ III Hailsham Limited (the "Company") for the year ended 31 December 2022.

#### **Principal activity**

The Company's principle activity is to invest in property in order to earn rental income and generate capital appreciation.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £889,502 (2021: profit of £273,149)

During the year, the Company declared and paid a dividend of £200,000 (2021: £Nil).

#### **Going concern**

The Directors have assessed the Company's adoption of the going concern basis for the forthcoming 12 months from the date that these financial statements have been approved and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis, see note 2.3.

#### **Directors**

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

A J Lambert (resigned 7 June 2023)  
J A Boadle  
A M Hodgetts (resigned 22 May 2023)  
A M Peters (appointed 8 June 2023)  
R K Jhita (appointed 26 May 2023)

#### **Subsequent events**

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue.

There have been no significant events affecting the Company since the year end.

#### **Disclosure of information to auditor**

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

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

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**BOX+ III HAILSHAM LIMITED**

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
**Directors' Report (continued)**  
**For the Year Ended 31 December 2022**

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**Auditor**

The auditor, KPMG LLP, was appointed as auditor in the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 September 2023 and signed on its behalf.

DocuSigned by:  
  
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A M Peters  
Director

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**BOX+ III HAILSHAM LIMITED**

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**Directors' Responsibilities Statement  
For the Year Ended 31 December 2022**

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

The Directors have taken advantage of the exemption under section 414B of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 from preparing a Strategic Report.

Company law requires the Directors to prepare financial statements for each financial year. Under the law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 these audited financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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**BOX+ III HAILSHAM LIMITED**

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**Independent Auditor's Report to the Members of Box+ III Hailsham Limited**

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**Opinion**

We have audited the financial statements of Box+ III Hailsham Limited (the "Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Materiality uncertainty related to going concern**

We draw attention to note 2.1 to the financial statements which discloses the material uncertainty relating to the Group's ability to continue as a going concern. These events and conditions at the Group level constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**Going concern basis of preparation**

The Directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work:

- We consider that the Directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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**BOX+ III HAILSHAM LIMITED**

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**Independent Auditor's Report to the Members of Box+ III Hailsham Limited**

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**Fraud and breaches of laws and regulations – ability to detect**

***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Directors of whether they are aware of fraud and of the Company's high-level policies and procedures to prevent and detect fraud;
- Reading Board minutes;
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment property valuations.

We did not identify any additional fraud risks.

On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's income primarily arises from operating lease contracts with fixed, or highly predictable, periodic payments.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted approved by unauthorised user and those posted to unusual accounts.

***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: landlord and tenant legislation, property laws and building legislation, recognising the nature of the Company's activities.



## BOX+ III HAILSHAM LIMITED

### Independent Auditor's Report to the Members of Box+ III Hailsham Limited

#### ***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)***

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws or regulation.

#### **Directors' report**

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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 exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## BOX+ III HAILSHAM LIMITED

### Independent Auditor's Report to the Members of Box+ III Hailsham Limited

#### Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

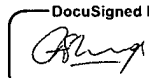
#### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### The purpose of our audit work and to whom we owe our responsibilities

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.

DocuSigned by:  
  
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**Craig Steven-Jennings (Senior statutory auditor)**

**for and on behalf of KPMG LLP**

Chartered Accountants  
 15 Canada Square  
 London  
 E14 5GL

15 September 2023

**BOX+ III HAILSHAM LIMITED**

**Statement of Comprehensive Income  
For the Year Ended 31 December 2022**

		31 December 2022 £	9 April 2021 to 31 December 2021 £
	Note		
Revenue	4	755,007	514,683
Property costs	5	(113,741)	(93,227)
Administrative expenses	6	(52,536)	(39,404)
Unrealised gain on revaluation of investment property	15	773,602	123,031
<b>Operating profit</b>		<b>1,362,332</b>	<b>505,083</b>
Interest receivable and similar income	10	41	9
Interest payable and similar expenses	11	(285,668)	(160,396)
Unrealised gain on revaluation of financial instruments	14	129,975	-
<b>Net finance costs</b>		<b>(155,652)</b>	<b>(160,387)</b>
<b>Profit before taxation</b>		<b>1,206,680</b>	<b>344,696</b>
Taxation	12	(317,178)	(71,547)
<b>Total profit and comprehensive income for the year/period</b>		<b>889,502</b>	<b>273,149</b>

The notes on pages 11 to 30 form part of these financial statements.


**BOX+ III HAILSHAM LIMITED**  
**Registered number: 13325211**

**Statement of Financial Position**  
**As at 31 December 2022**

	Note	31 December 2022 £	31 December 2021 £
<b>Fixed assets</b>			
Derivative financial instruments	14	161,946	-
Investment property	15	9,720,000	8,900,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	78,623	84,277
Cash at bank	17	419,777	433,896
		<u>498,400</u>	<u>518,173</u>
Creditors: amounts falling due within one year	18	(444,152)	(373,290)
<b>Net current assets</b>		<u>54,248</u>	<u>144,883</u>
<b>Total assets less current liabilities</b>		<u>9,936,194</u>	<u>9,044,883</u>
Creditors: amounts falling due after more than one year	19	(6,053,279)	(6,063,852)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(235,758)	(23,376)
<b>Net assets</b>		<u><u>3,647,157</u></u>	<u><u>2,957,655</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	2,684,506	2,684,506
Profit and loss account		962,651	273,149
<b>Total shareholder funds</b>		<u><u>3,647,157</u></u>	<u><u>2,957,655</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 2023.

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A M Peters  
Director

The notes on pages 11 to 30 form part of these financial statements.

**BOX+ III HAILSHAM LIMITED**

**Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 09 April 2021</b>	-	-	-
Profit and other comprehensive income for the period	-	273,149	273,149
<b>Total comprehensive income for the period</b>	-	273,149	273,149
<b>Transactions with owners</b>			
Shares issued during the period	2,684,506	-	2,684,506
<b>At 1 January 2022</b>	2,684,506	273,149	2,957,655
Loss and other comprehensive loss for the year	-	889,502	889,502
<b>Total comprehensive loss for the year</b>	-	889,502	889,502
<b>Transactions with owners</b>			
Dividends paid	-	(200,000)	(200,000)
<b>Total transactions with owners</b>	-	(200,000)	(200,000)
<b>At 31 December 2022</b>	2,684,506	962,651	3,647,157

The notes on pages 11 to 30 form part of these financial statements.

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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**1. General information**

Box+ III Hailsham Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The Company's registered office is provided on the Company information page.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards ("Adopted IFRSs") in conformity with the disclosure requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

The financial statements have been prepared on the historical cost basis, as modified by the recognition of investment properties and derivative financial instrument at fair value.

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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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 Error
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)****2.2 Financial Reporting Standard 101 - reduced disclosure exemptions (continued)**

- 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.

**2.3 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report. The financial position of the Company and borrowing facilities are described in the financial statements and the accompanying notes. The financial statements also include details on the Company's financial instruments. Details on the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk are found in the accounts of its UK parent company.

The Directors have projected the Company's cash flows for the period to 31 December 2024, challenging and sensitising inputs and assumptions, giving due consideration to the Company's cash resources, loan facility, rental income, property and other operating costs, capital expenditure and distributions. Notwithstanding the profit for the year of £889,502, the Company is currently in a net current assets position of £54,248 with an available cash balance of £419,777 which provides sufficient liquidity for the Company to settle any outstanding outflows.

The main risks for the Company are credit risk, liquidity risk and capital risk. The Company faces heightened the credit risk from the inability of tenants to fulfil their rental obligations.

Based on the current cash flow projections, the Directors expect the Company may encounter operating cash short falls in the period to December 2024. Considering this, the Company has the option to defer payment of discretionary outflows, such as capital expenditure and repairs and maintenance costs. Additionally, in line with the terms of the intra group loan agreements, the Company has an ability to defer the quarterly interest payments on the loans.

The Directors note that the Company's secured financing does not mature until October 2026 and the Group has reported full compliance with its loan covenants during 2022. The 'Group' is defined as Box+ III (UK) Limited, the Company's parent, and its subsidiaries. However, in January 2023 the Group entered a cash trap event due to the debt yield covenant percentage of 9.89%. The cash trap event is continuing in 2023 and is being managed with the lender, with cash necessary to continue the operations including capital expenditure of the Group being released by the lender on a quarterly basis, as required under the Facility Agreement.

Based on the above indications the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the matter indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, which has a direct impact on the Company's ability to continue as a going concern, and therefore, that the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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**BOX+ III HALSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.4 Revenue recognition**

Revenue includes rental income, service charge income, insurance refunds from properties, fees receivable from early termination of leases, and fees receivable for compensation of dilapidation of property.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of incentives are capitalised and recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Service charge income is recognised in the accounting period in which the services and the associated expenses are rendered. Service costs billed to tenants are presented gross in the Statement of Comprehensive Income, as the Company is acting as principal whereby it controls a promised service before the Company transfers the service to a tenant.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Statement of Comprehensive Income when the right to receive them arises.

**2.5 Impact of new international reporting standards, amendments and interpretations**

**(a) New and amended standards adopted by the Company**

The following standards and amendments have been adopted by the Company for the first time for the financial year on 1 January 2022:

- Amendments to IFRS 16, COVID-19 Related Rent Concessions (effective for periods commencing on or beyond 1 June 2021)

As the impact of the COVID-19 pandemic was continuing at 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Company has not received COVID-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

- Onerous contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018 - 2020 (effective 1 January 2022)
- Property, Plant and Equipment: Proceeds, before intended use (Amendments to IAS 16) (effective 1 January 2022)
- Reference to the Conceptual Framework (Amendments to IFRS 3) (effective 1 January 2022)
- Classification of Liabilities as Current or Non-current (Amendment to IAS 1) (effective 1 January 2023)

The early adoption of those amendments enables classification of a liability as non-current when the Company has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period, provided that the Company complies with the conditions at the end of the reporting period if the right to defer settlement is subject to the Company complying with specified conditions.



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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.5 Impact of new international reporting standards, amendments and interpretations (continued)**

**(a) New and amended standards adopted by the Company (continued)**

None of these standards have had any effect on the financial statements of the Company. They did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New standards and interpretations not yet adopted by the Company**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards, which are listed below, are not expected to have a material impact on the Company in the current or future reporting periods and on future transactions.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective 1 January 2023)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts (effective 1 January 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective 1 January 2023)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (effective date deferred indefinitely)

**2.6 Interest income and expenses**

Interest income and expense are recognised within the Statement of Comprehensive Income using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability, and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

**2.7 Functional and presentational currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which it operates. As all calls and distributions are made in Pound Sterling ("£") this is considered to be the functional and presentational currency of the Company.

**2.8 Leases: the Company as lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term (see note 2.4). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as an expense over the lease term on the same basis as lease income. The respective leased assets are included in the Statement of Financial Position in accordance with their nature.

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**BOX+ III HALSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.8 Leases: the Company as lessor (continued)**

The Company elected to recognise lease income for variable payment that depends on an index or a rate on a straight-line basis.

At the commencement date, the Company assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The Company makes payments to agents for services in connection with negotiating lease contracts with the Company's lessees. These letting fees are capitalised within the carrying amount of the related investment property and are amortised over the lease term.

**2.9 Taxation**

The tax income or expense for the year comprises of current tax and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax law enacted or substantively enacted at the date of the Statement of Financial Position in the country where the Company operates. The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by year end and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Company is registered in the United Kingdom and was subject to UK corporation tax at a rate of 19% (2021: 19%) during the year.

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**BOX+ III HALSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)****2.10 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Company, is classified as an investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

The fair value of investment property reflects, amongst other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the Statement of Financial Position is added back to arrive at the carrying value of the investment property for accounting purposes. Amortised lease incentives are not recognised on the Statement of Financial Position; instead they are recognised in the fair value of the investment property.

Changes in fair value are recognised in the Statement of Comprehensive Income. Investment properties are derecognised when they have been disposed of.

When the Company disposes of a property at fair value in an arm's length transaction, the profit or loss is calculated by comparing net proceeds to the carrying value. This is recognised in the Statement of Comprehensive Income on completion of the sale.

**2.11 Financial instruments****(i) Recognition**

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

**(ii) Classification**

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or

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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

**(ii) Classification (continued)**

(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

**(iii) Initial measurement**

Financial assets and financial liabilities at fair value through profit or loss (FVPL) are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

**(iv) Subsequent measurement**

After initial measurement, the Company measures financial instruments which are classified as at FVPL at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVPL within profit and loss. Interest and dividends earned or paid on these instruments are recorded separately in profit and loss.

Financial assets and liabilities (other than those classified as at FVPL) are subsequently measured at amortised cost using the effective interest method.

**(v) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

**(vi) Financial assets**

The Company classifies its financial assets as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- (a) The Company's business model for managing the financial assets; and
- (b) The contractual cash flow characteristics of the financial asset.

***(a) Financial assets measured at amortised cost***

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Included in this category are trade and other receivables which are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method.

***(b) Financial assets at FVPL***

A financial asset is measured at FVPL if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

**(vii) Financial liabilities**

A financial liability remains largely the same under IFRS 9 compared to IAS 39. Two measurement categories continue to exist: FVPL and amortised cost.

***(a) Financial liabilities measured at amortised cost***

This category includes all financial liabilities, other than those measured at FVPL. The Company includes in this category trade and other payables and loans and borrowings which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are derecognised when the obligation under the liability is discharged or cancelled or expires.

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**BOX+ III HALSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.11 Financial instruments (continued)**

***(b) Financial liabilities at FVPL***

A financial liability is measured at FVPL if it meets the definition of held for trading. Except for derivatives as previously disclosed, there are no other financial liabilities measured at FVPL.

Debt instruments, other than those classified as FVPL, are measured at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process. Financial liabilities, other than those classified as FVPL, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

**2.12 Impairment**

The Directors assess at each Statement of Financial Position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment.

Under IFRS 9, the Company shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses. The Company does not have the data to establish historical loss rates for the expected credit loss analysis due to the period since incorporation. In determining the provision on a tenant by tenant basis, the Company considers both recent payment history and future expectations of the tenant's ability to pay or possible default in order to recognise an expected credit loss allowance. The Company also considers the risk factors associated by sector in which the tenant operates and the nature of the debt. Based on sector and nature of rent receivable, a provision is recorded in addition to full provision for maximum risk tenants or known issues. The amount of the loss is recognised in the Statement of Comprehensive Income.

If in subsequent periods the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

**2.13 Provisions**

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

**2.14 Prepayments**

Prepayments are carried at cost less any accumulated impairment losses.

**2.15 Cash at bank**

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**2. Accounting policies (continued)**

**2.16 Capital and reserves**

*Share capital*

Share capital is the nominal amount of the Company's ordinary shares in issue.

*Retained earnings*

Retained earnings represent the profits of the Company.

**2.17 Dividends**

Equity dividends are recognised when they become legally payable.

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

The Directors make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(i) Income Taxes**

The Company is subject to income taxes in the United Kingdom. Significant estimates may be required in determining the provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the current and deferred tax provisions.

**(ii) Investment property**

The fair value of investment properties is determined by using valuation techniques. Further details of judgements and assumptions made are disclosed in note 15.

**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**4. Revenue**

An analysis of revenue is as follows:

	31 December 2022 £	9 April 2021 to 31 December 2021 £
Rental income	647,014	452,039
Service charge income	85,703	37,571
Direct recharge income	22,290	19,525
Other income	-	5,548
	<b>755,007</b>	<b>514,683</b>

All revenue arose within the United Kingdom.

**5. Property costs**

	31 December 2022 £	9 April 2021 to 31 December 2021 £
Insurance	-	5,548
Management fees	46,966	28,207
Service charge	85,703	37,571
(Reversal of)/provision for doubtful debts	(21,901)	21,901
Other non-recoverable costs	2,973	-
	<b>113,741</b>	<b>93,227</b>



**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**6. Administrative expenses**

	31 December 2022 £	9 April 2021 to 31 December 2021 £
Legal and professional	12,489	5,912
Tax advice	2,400	2,400
Accounting fees	22,291	19,525
Auditor fees	15,000	10,000
Marketing	-	1,500
Bank charges	356	67
	<u>52,536</u>	<u>39,404</u>

**7. Auditor's remuneration**

	31 December 2022 £	9 April 2021 to 31 December 2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>15,000</u>	<u>10,000</u>

**8. Employees**

In the year to 31 December 2022, the Company had no employees other than the Directors, who did not receive any remuneration (2021: None).

**9. Directors' remuneration**

In the year to 31 December 2022, the Directors did not receive any remuneration in respect of services as Directors of the Company (2021: £Nil).

**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**10. Interest receivable and similar income**

	31 December 2022 £	9 April 2021 to 31 December 2021 £
Bank interest receivable	41	9
	<u>41</u>	<u>9</u>

**11. Interest payable and similar expenses**

	31 December 2022 £	9 April 2021 to 31 December 2021 £
Bank interest payable	209,254	31,727
Interest payable to group undertakings	59,601	15,107
Interest payable to associated parties	-	110,401
Other finance costs	1,230	-
Amortisation of finance costs	15,583	3,161
	<u>285,668</u>	<u>160,396</u>

**12. Taxation**

	31 December 2022 £	9 April 2021 to 31 December 2021 £
<b>Corporation tax</b>		
Current tax	<u>104,796</u>	<u>48,171</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>212,382</u>	<u>23,376</u>
<b>Total tax charge for the year/period</b>	<u>317,178</u>	<u>71,547</u>

**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**12. Taxation (continued)**

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>31 December 2022 £</b>	<i>9 April 2021 to 31 December 2021 £</i>
Profit on ordinary activities before tax	<b>1,206,680</b>	344,696
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	<b>229,269</b>	65,492
<b>Effects of:</b>		
Permanent differences	<b>234,893</b>	6,055
Temporary differences	<b>(146,984)</b>	-
<b>Total tax charge for the year/period</b>	<b>317,178</b>	71,547

The Finance Act 2021 was passed in May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. Deferred taxation balances are measured using the rates expected to apply in the reporting periods when the timing differences reverse.

**13. Dividends**

	<b>31 December 2022 £</b>	<i>31 December 2021 £</i>
Dividends paid	<b>200,000</b>	-
	<b>200,000</b>	-

During the year, the Company distributed a dividend of £200,000 (2021:£Nil) to its parent company, Box+ III Holdings (UK) Limited.

**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**14. Derivative financial instruments**

				31 December 2022 £	31 December 2021 £
Counterparty	Notional Value	Cap Rate	Maturity date		
NatWest Markets Plc	£3,667,500	2%	19 October 2024	<b>161,946</b>	-
				<b>161,946</b>	-

The Company does not apply hedge accounting in accordance with IFRS 9. Nevertheless, interest rate caps are part of economic hedge relationships. Interest rate caps are used to fix the interest payments of variable debt instruments (see note 19).

The Company uses widely recognised valuation models for determining fair values of over the counter interest rate caps and forward foreign exchange contracts. The models incorporate various inputs including counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves.

The valuation of the derivative instrument is performed on a quarterly basis by an external specialist and reviewed by the Directors.

The derivative financial asset relates to the interest rate cap entered by paying a premium of £31,971 to hedge the interest rate risk on the senior debt.

The fair value gain on derivative financial instruments in the year amounts to £129,975 (2021: £Nil).

**15. Investment property**

	2022 £
Opening	8,900,000
Capitalised expenditure on investment property	46,398
Fair value movement	773,602
	<b>9,720,000</b>
Investment property at fair value	

The investment property valuation contains a number of assumptions which the fair value was based upon. The assumptions include, but are not limited to, matters such as the tenure and tenancy details for the property, structural condition of the property, prevailing market yields and comparable market transactions. These assumptions are market standard and are in accordance with the Royal Institution of Chartered Surveyors (RICS) Global Standards (incorporating the International Valuation Standards).

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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**15. Investment property (continued)**

Market Value as defined by RICS is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". Market Value as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

Investment property is reclassified as held for sale where the property is being actively marketed for sale on or before the Statement of Financial Position date and where a letter of intent of purchase has been provided by the buyer, the property has exchanged for sale, or the property has sold post the Statement of Financial Position date.

Changes to fair values are recognised as gains or losses in the Statement of Comprehensive Income. Changes to fair value of the investment property is included in 'Unrealised gain/(loss) on revaluation of investment properties'. For investment property which are disposed of during the financial year, changes to fair value from reported valuation and fair value upon disposal are included in 'Realised gain/(loss) on sale of investment properties'.

*(i) Valuation process*

Valuations are ultimately the responsibility of the Board of Directors of the Company.

The valuation of investment property is performed annually by the external valuers comprising the income approach (yield method). Under the income approach (yield method), a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The Company will review the property valuation in light of the advice received from the Investment Adviser and expected rental yields. In providing its advice to the Company, the Investment Adviser interrogates the valuation data received, verifies the major inputs and cross checks with local geographic market conditions.

On an annual basis, after the above checks have been performed, the Company will discuss and interrogate the major assumptions used in the valuations, with an emphasis on the more significant investments and variances. The Company considers utilising advice from the Investment Adviser, the appropriateness of the valuation methods and inputs and may request that alternative valuation methods are applied if felt to be necessary.

There were no changes in valuation technique during the year.

**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**16. Debtors: amounts falling due within one year**

	<b>31 December 2022 £</b>	<i>31 December 2021 £</i>
Trade receivables	75,596	82,296
Amounts owed by group undertakings	100	-
Prepayments	2,927	1,981
	<u><b>78,623</b></u>	<u><i>84,277</i></u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

**17. Cash at bank**

	<b>31 December 2022 £</b>	<i>31 December 2021 £</i>
Cash at bank	419,777	433,896
	<u><b>419,777</b></u>	<u><i>433,896</i></u>

Cash at bank includes deposits held at call with banks.

**18. Creditors: amounts falling due within one year**

	<b>31 December 2022 £</b>	<i>31 December 2021 £</i>
Corporation tax payable	24,695	48,171
VAT payable	43,808	40,626
Interest payable on loans from group undertakings (note 19)	101,677	15,107
Other payables	35,662	53,597
Accruals	41,772	32,502
Interest payable on bank loans (note 19)	44,525	31,727
Deferred income	152,013	151,560
	<u><b>444,152</b></u>	<u><i>373,290</i></u>

**BOX+ III HALSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**19. Creditors: amounts falling due after more than one year**

Analysis of the maturity of loans is given below:

	31 December 2022 £	31 December 2021 £
<b>Amounts falling due 2-5 years</b>		
Bank loans	4,890,000	4,890,000
Loan from group undertakings	1,222,500	1,249,468
Unamortised finance costs	(59,221)	(75,616)
	<u>6,053,279</u>	<u>6,063,852</u>

**Bank loans**

On 19 October 2021, the Company entered into a £4,890,000 interest bearing facility with ACREFI B, LLC (the "Apollo Loan"). The Apollo Loan incurs interest of 3.15% + SONIA. The Company has entered into an agreement with NatWest Markets Plc (note 14) capping the SONIA rate at 2% per annum. Interest is payable quarterly and is repayable on 11 October 2026. The Apollo Loan is secured by a fixed charge over the Company's investment property (note 15). The Apollo Loan is displayed net of unamortised finance costs of £59,221 (2021: £75,616). Interest payable at 31 December 2022 amounted to £44,525 (2021: £31,727) (note 18).

**Loans with associated undertakings**

On 13 April 2021, the Company entered into a £4,890,000 interest bearing facility with OPG European Debt Holdings S.À R.L ('IBL A'). The IBL A loan incurred interest of 3.15% per annum.

On 13 April 2021, the Company entered into a £1,222,500 non-interest bearing loan facility with Oxford European Holdings Inc. On 1 October 2021, the non-interest bearing loan was exchanged for a subscription of ordinary shares (note 21).

On 26 October 2021, £4,822,857 of IBL A loan was repaid with the net proceeds of the Apollo Loan drawdown. The remaining IBL A loan was repaid in full on 16 December 2021.

**Loans with group undertakings**

On 13 April 2021, the Company entered into a secondary £1,222,500 interest bearing loan facility with OPG European Debt Holdings S.À R.L ('IBL B'). On 1 October 2021, the IBL B loan was assigned by OPG European Debt Holdings S.À R.L to the UK group parent, Box+ III (UK) Limited. The IBL B loan incurs interest of 4.74% per annum, with interest payable quarterly and is repayable on 20 April 2026. Interest payable at 31 December 2022 amounted to £101,677 (2021: £15,107) (note 18).

Note 11 provides additional information and the corresponding interest relating to the loans.

**BOX+ III HAILSHAM LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

**20. Deferred taxation**

	31 December 2022 £
At beginning of year	23,376
Charged to profit or loss	212,382
<b>At end of year</b>	<b>235,758</b>

The provision for deferred taxation is made up as follows:

	31 December 2022 £	31 December 2021 £
Revaluation of investment properties	235,758	23,376
	<b>235,758</b>	<b>23,376</b>

Deferred taxation arises from the difference in the fair value and tax value of investment property.

**21. Called up share capital**

	31 December 2022 £	31 December 2021 £
<b>Allotted, called up and fully paid</b>		
2,684,406 (2021: 2,684,406) Ordinary shares issued of £1 each	2,684,406	2,684,406
<b>Allotted, called up and unpaid</b>		
100 (2021: 100) Ordinary shares issued of £1 each	100	100

On incorporation, the Company issued 100 shares at a par value of £1 each. On 16 April 2021 and 1 October 2021, the Company issued a further 1,461,906 and 1,222,500 shares respectively, at a par value of £1 each. All shares rank pari passu in all respects.



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**BOX+ III HAILSHAM LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2022**

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**22. Contingent liabilities and commitments**

**Secured bank loan commitments**

Box+ III Holdings (UK) Limited (the "Holdco") and its subsidiaries, which includes Box+ III Hailsham Limited, (the "Borrowers") (the Holdco and the Borrowers being together the "Obligors") entered into a facility agreement dated 11 October 2021 between ACREFI B, LLC (as arranger) (the "Lender") and CBRE Loan Services Limited (as agent and security agent) (the "Security Agent").

As part of the required security arrangements for the availability of the facilities to be advanced under the Facility Agreement, the Lender's loan balance and secured liabilities are secured in favour of the Security Agent by way of, amongst other things, a first ranking mortgage over the properties owned by the Borrowers, accounts security over the accounts held by the Obligors, a security over the hedging contracts entered into by the Obligors, share security granted by Box+ III (UK) Limited (the "Chargor") in respect of Holdco's shares and Holdco in respect of the Borrower's shares, receivables security over any receivables owed to an Obligor and a subordinated creditor's security agreement over any subordinated debt advanced to the Holdco by the Chargor.

**23. Post balance sheet events**

There were no material events after the Statement of Financial Position that have a bearing on the understanding of these financial statements.

**24. Controlling party**

The ultimate UK parent undertaking and the smallest group to consolidate these financial statements is Box+ III (UK) Limited.

Copies of the Box+ III (UK) Limited consolidated financial statements can be obtained from the Company Secretary at 47 Esplanade, St Helier, Jersey, JE1 0BD.

The ultimate parent undertaking is OMERS Administration Corporation, based in Canada.