

LONDON SQUARE (HOLDINGS) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2015
REGISTERED NUMBER: 07159358

TUESDAY



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COMPANIES HOUSE

LONDON SQUARE (HOLDINGS) LIMITED

DIRECTORS

A P Lawrence
M A Pain
S C Casey
B A Betsy
S D Brown

COMPANY SECRETARY

A P Lawrence

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

BANKERS

The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

REGISTERED OFFICE

The Coach House
6 & 8 Swakeleys Road
Ickenham
Uxbridge
Middlesex
UB10 8BG

COMPANY REGISTRATION NUMBER

07159358

LONDON SQUARE (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for London Square (Holdings) Limited (formerly London Square Developments (Holdings) Limited) (the "Company") for the year ended 31 March 2015.

CHANGE OF NAME

On 8 August 2014, the Company changed its name from London Square Developments (Holdings) Limited to London Square (Holdings) Limited.

BUSINESS REVIEW

During the year, the Company continued to be a holding company.

During the year the Company transitioned from previous UK GAAP to FRS 101 *Reduced Disclosure Framework* and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, London Square (Ventures) Limited, was notified and did not object to the use of the disclosure exemptions. There were no material recognition or measurement differences arising from the adoption of FRS 101.

The Company's results for the year are reported in the Profit and Loss Account on page 6 of these financial statements.

DIVIDENDS

No dividends were approved or paid during the year (2014: £nil).

GOING CONCERN

The Company receives financial support from its parent undertakings. On the basis of this continued support these financial statement have been prepared on the going concern basis.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements are:

A P Lawrence
M A Pain
S C Casey
B A Betsy
S D Brown

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

As permitted by the Companies Act 2006, the Company carries appropriate insurance cover in respect of possible legal action being taken against its directors and senior employees. Such qualifying third party indemnity provision was in place throughout the year and remains in force as at the date of this report.

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- 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 and disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the financial statements 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 and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions relating to small companies of Part 15 of the Companies Act 2006.

On behalf of the board



A P Lawrence

Director

21 September 2015

LONDON SQUARE (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SQUARE (HOLDINGS) LIMITED

Report on the financial statements

Our opinion

In our opinion, London Square (Holdings) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SQUARE (HOLDINGS) LIMITED
(CONTINUED)**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Pauline Campbell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

22 September 2015

LONDON SQUARE (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	<u>Note</u>	<u>2015</u> <u>£</u>	<u>2014</u> <u>£</u>
Interest receivable and similar income	4	-	48
Interest payable and similar costs	5	(2,562,072)	(2,562,072)
Loss on ordinary activities before tax		<u>(2,562,072)</u>	<u>(2,562,024)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		<u><u>(2,562,072)</u></u>	<u><u>(2,562,024)</u></u>

All amounts relate to continuing operations.

The Company had no other comprehensive income other the loss for the year reported above.

There is no difference between the loss on ordinary activities before taxation for the financial year stated above and its historical cost equivalent.

LONDON SQUARE (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	<u>Called up share capital</u> £	<u>Retained earnings</u> £	<u>Total equity</u> £
At 1 April 2013	965,000	(5,442,826)	(4,477,826)
Loss for the financial year	-	(2,562,024)	(2,562,024)
At 31 March 2014	965,000	(8,004,850)	(7,039,850)
Loss for the financial year	-	(2,562,072)	(2,562,072)
At 31 March 2015	965,000	(10,566,922)	(9,601,922)

LONDON SQUARE (HOLDINGS) LIMITED
REGISTERED NUMBER: 07159358

BALANCE SHEET AS AT 31 MARCH 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		£	£
Fixed assets			
Investments in subsidiaries	7	4	4
Current assets			
Debtors	8	27,527,836	27,498,541
Cash at bank and in hand		940	295
		<u>27,528,776</u>	<u>27,498,836</u>
Creditors: amounts falling due within one year	9	<u>(30,002)</u>	<u>(2)</u>
Net current assets		<u>27,498,774</u>	<u>27,498,834</u>
Total assets less current liabilities		<u>27,498,778</u>	<u>27,498,838</u>
Creditors: amounts falling due after more than one year	10	<u>(37,100,700)</u>	<u>(34,538,688)</u>
Net liabilities		<u>(9,601,922)</u>	<u>(7,039,850)</u>
Capital and reserves			
Called up share capital	11	965,000	965,000
Retained earnings		<u>(10,566,922)</u>	<u>(8,004,850)</u>
Total equity		<u>(9,601,922)</u>	<u>(7,039,850)</u>

The financial statements on pages 6 to 15 were approved and authorised for issue by the board of directors on 22 September 2015.



A P Lawrence

Director

22 September 2015

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

General information

The Company is a private limited company incorporated and domiciled in England and Wales. The Company's financial statements are presented in pounds sterling.

Basis of preparation

These financial statements were prepared on the going concern basis, under the historical cost convention, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), the Companies Act 2006 and applicable accounting standards. The Company transitioned from United Kingdom Generally Accepted Accounting Principles to FRS 101 for all periods presented. There were no material amendments on adoption of FRS 101.

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

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures* ;
- (b) the requirement of paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 *Presentation of Financial Statements* ; and
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment* .
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements* ;
- (d) the requirements of IAS 7 *Statement of Cash Flows* ;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ;
- (f) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures* ; and
- (g) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions 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 Company's parent undertaking, London Square Developments (Ventures) Limited, was notified and did not object to the use of the disclosure exemptions.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of London Square Developments (Holdings) Limited.

The consolidated financial statements of London Square Developments (Holdings) Limited are available from The Coach House, 6 & 8 Swakeleys Road, Ickenham, Uxbridge, Middlesex, UB10 8BG.

Going concern

The Company receives financial support from its parent undertakings. On the basis of this continued support these financial statement have been prepared on the going concern basis.

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (CONTINUED)

New and amended standards and interpretations

The Company has not adopted any standards or interpretations early in either the current or the preceding year. At the date of approving these financial statements the following new and revised interpretations and standards were in existence but were not yet effective.

- IFRS 9 *Financial instruments* (effective 1 January 2018)
- IFRS 14 *Regulatory deferral accounts* (effective 1 January 2016)
- IFRS 15 *Revenue from contracts with customers* (effective 1 January 2017)
- Amendment to IFRS 11 *Joint arrangements' on acquisition of an interest in a joint operation* (effective 1 January 2016)
- Amendment to IAS 16 *Property, plant and equipment* and IAS 38 *Intangible assets* on depreciation and amortisation (effective 1 January 2016)
- Amendment to IFRS 9 *Financial instruments* on general hedge accounting (effective 1 January 2018)
- Amendments to IAS 16 *Property, plant and equipment* and IAS 41 *Agriculture* on bearer plants (effective 1 January 2016)
- Amendments to IAS 27 *Separate financial statements* on equity accounting (effective 1 January 2016)
- Amendments to IFRS 10 *Consolidated financial statements* and IAS 28 *Investments in associates and joint ventures* on sale or contribution of assets (effective 1 January 2016)
- Amendments to IFRS 10 *Consolidated financial statements* and IAS 28 *Investments in associates and joint ventures* on applying the consolidation exemption (effective 1 January 2016)
- *Annual improvements (2014)* (effective 1 January 2016)
- Amendments to IAS 1 *Presentation of financial statements* disclosure initiative (effective 1 January 2016)

The directors do not anticipate that the adoption of these standards and interpretations in future periods will have a material effect on the financial position or performance of the Company.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

The principal accounting policies adopted, which have been applied consistently throughout the year, are set out below.

Investments

Investments are carried at cost, less provision for impairment.

Preference shares and dividends

In accordance with IAS 32 *Financial Instruments: Presentation*, the Directors consider that the preference shares should be presented as a financial liability. Accordingly, the preference dividend is shown as interest payable and is calculated at the fixed interest rate and accrued on a daily basis.

Income taxes

Current income tax is based on the taxable profit for the period. Taxable profit differs from profit before taxation recorded in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

Deferred income tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantively enacted by the balance sheet date. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future, out of suitable taxable profits from which the underlying temporary differences can be deducted. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. 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 there is an intention to settle the balances on a net basis. Deferred income tax is charged or credited through the income statement, except when it relates to items charged or credited through the income statement or to equity, when it is charged or credited there.

2 AUDITORS' REMUNERATION

The fee payable to the Company's auditors for the audit of the financial statements of £2,000 (2014: £1,750) was borne by London Square Developments Limited, its subsidiary undertaking.

The Company has taken advantage of the exemption not to disclose amounts paid to the Company's auditors for non audit services as these are disclosed in the group financial statements of its parent London Square Developments (Holdings) Limited.

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3 DIRECTORS' REMUNERATION

The directors did not receive any remuneration in respect of their services to the Company (2014: £nil).

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2015</u> £	<u>2014</u> £
Bank interest receivable	-	48
	<u>-</u>	<u>48</u>

5 INTEREST PAYABLE AND SIMILAR COSTS

	<u>2015</u> £	<u>2014</u> £
Preference shares dividend payable	2,562,012	2,562,012
Other finance costs	60	60
	<u>2,562,072</u>	<u>2,562,072</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>2015</u> £	<u>2014</u> £
Current taxation:		
UK Corporation Tax	-	-
Tax on loss on ordinary activities	-	-

The tax assessed for the year is different from the rate of corporation tax in the UK of 21% (2014: 23%). The difference is explained below:

Loss on ordinary activities before tax	(2,562,072)	(2,562,024)
Tax at the UK standard rate of tax of 21% (2014: 23%)	(538,035)	(589,266)
Effects of:		
Expenses not deductible for tax purposes	538,023	589,263
Group relief not paid for	12	3
Total tax for the year	-	-

Corporation tax rate changes

Finance Act 2013, which was enacted on 17 July 2013, includes legislation reducing the main UK corporation tax rate from 21% to 20%, effective from 1 April 2015. Subsequent to the balance sheet date, further reductions in the tax rate have been announced reducing to 19% from 1 April 2017 and to 18% from 1 April 2020.

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7 INVESTMENTS IN SUBSIDIARIES

	£
Cost	
At 1 April 2014	4
Additions	-
	<hr/>
At 31 March 2015	4
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The directors believe the carrying value of the investments is supported by its underlying trade and net assets. The Company owns 100% of the issued share capital of the companies (incorporated in England and Wales) listed below:

Name	Business Activity	Class of shares
<i>Directly held subsidiaries:</i>		
London Square Developments Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Investments) Limited	Holding company	£1 ordinary shares
<i>Indirectly held subsidiaries:</i>		
London Square (Putney) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Leonard St.) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Caledonian Road) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Streatham) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Crimscott St) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Eastcote) Management Company Limited	Freehold manager	Limited by guarantee
London Square (NKR) Management Company Limited	Freehold manager	Limited by guarantee
London Square (Putney) Management Company Limited	Freehold manager	Limited by guarantee
London Square (Teddington) Management Company Limited	Freehold manager	Limited by guarantee
London Square (Bermondsey Village) Management Company Limited	Freehold manager	Limited by guarantee
London Square (Fulham) Management Company Limited	Freehold manager	Limited by guarantee
London Square (Ruislip) Management Company Limited	Freehold manager	Limited by guarantee
London Square (Hayes BR2) Management Company Limited	Freehold manager	Limited by guarantee
Chigwell Grange Management Company Limited	Freehold manager	Limited by guarantee

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8 DEBTORS

	<u>2015</u> £	<u>2014</u> £
Amount owed by group undertakings	27,527,836	27,498,541
	<u>27,527,836</u>	<u>27,498,541</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2015</u> £	<u>2014</u> £
Amounts owed to group undertakings	30,002	2
	<u>30,002</u>	<u>2</u>

Amounts owed to the group undertakings are unsecured, interest-free and are repayable on demand.

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2015</u> £	<u>2014</u> £
Redeemable 0.01 pence A Preference shares	2,861,223	2,861,223
Cumulative 10% redeemable 99.99 pence B Preference shares	25,620,117	25,620,117
Accrued dividend on B Preference Shares	8,619,360	6,057,348
	<u>37,100,700</u>	<u>34,538,688</u>

The A and B Preference shares shall be redeemed, with any associated accrued dividends, on the earliest of the following:

- (i) 31 March 2017;
- (ii) immediately prior to a sale or quotation; or
- (iii) subject to investor consent, with 25 business days' notice from the Company.

On a winding up, the preference shareholders have priority before all other classes of shares to receive repayment of capital and all associated accrued dividends. The preference shareholders have no voting rights.

LONDON SQUARE (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

11 CALLED UP SHARE CAPITAL

	<u>2015</u>	<u>2014</u>
	<u>£</u>	<u>£</u>
<i>Authorised, allotted, called up and fully paid:</i>		
780,000 (2014: 780,000) £1 Ordinary A shares	780,000	780,000
185,000 (2014: 185,000) £1 Ordinary B shares	185,000	185,000
	<hr/>	<hr/>
	965,000	965,000
	<hr/> <hr/>	<hr/> <hr/>

Both types of ordinary shares have the same economic and voting rights.

12 IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The Company's immediate parent undertaking is London Square Developments (Ventures) Limited and the ultimate controlling parties are funds managed by affiliates of Ares Management LLC. The smallest and largest group accounts in which the Company is included are prepared by London Square Developments (Ventures) Limited and London Square Developments (Holdings) Limited respectively.

Financial statements for companies in the London Square Developments (Holdings) Limited group are available from the Company Secretary, 6 - 8 Swakeleys Road, Ickenham, Uxbridge, Middlesex, UB10 8BG.