

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

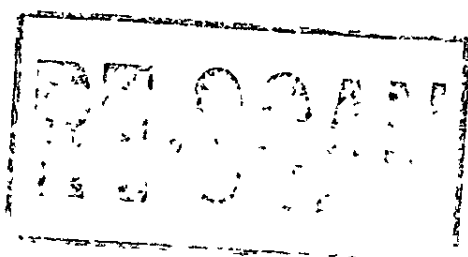
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2014**

**REGISTERED NUMBER: 07774351**

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**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

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

**COMPANY SECRETARY**

A P Lawrence

**SOLICITORS**

Travers Smith LLP  
10 Snow Hill  
London  
EC1A 2AL

**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 Square  
EC2M 4RB

**REGISTERED OFFICE**

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

**COMPANY REGISTRATION NUMBER**

07774351

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# **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

## **DIRECTORS' REPORT AND GROUP FINANCIAL STATEMENTS**

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## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

The Directors present their annual report, the strategic report and the audited Group and Parent Company financial statements for the year ended 31 March 2014.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review is that of a holding company. The principal activity of the Group during the year continued to be that of a land developer and house builder. The Directors are not aware of any likely major changes in the immediate future.

#### **DIVIDENDS**

No ordinary share dividends were approved or paid during the year (2013: nil). The directors did not recommend payment of a dividend.

#### **DIRECTORS**

The Directors who served during the year and up to the date of signing the financial statements were:

A P Lawrence  
M A Pain  
S C Casey  
B A Betsy (Appointed 31 May 2013)  
S D Brown (Appointed 26 November 2013)  
P T Ford (Resigned 31 May 2013)

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the 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 Group and Parent Company 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 Group and the Company and of the profit or loss of the Group 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 and the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

As permitted by the Companies Act 2006, the Group carries appropriate Insurance cover in respect of possible legal action being taken against its Directors and senior employees. Such qualifying third party indemnity provision remains in force as at the date of this report.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

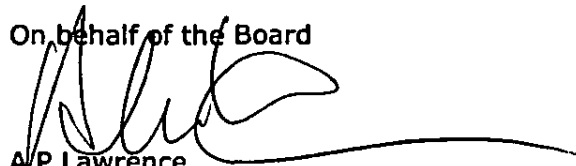
- (a) So far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors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

#### **GOING CONCERN**

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the existing banking and loan facilities of the Group and the support provided by Graphite Capital Management LLP on behalf of the funds investing in the Group.

The Director's Report on pages 1 to 2 was approved by the Board of Directors on 21 May 2014.

On behalf of the Board

  
A/P Lawrence  
Director

26 June 2014

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014**

#### **REVIEW OF THE BUSINESS**

The Group has continued its strong growth from prior years and generated a profit on ordinary activities before interest and taxation of £5,062,878 (2013: £4,534,527).

The Group completed 70 residential sales in the year ending March 2014 (2013: 46), and has an order book of 121 sales at the end of May 2014 (2013: 103). These sales were achieved across 3 sites with one land sale during the year.

The Group's subsidiary undertakings purchased six (2013: two) new sites in the year bringing the total number of acquired sites to 18 (2013: 12). This has increased the cost of Land held on the Balance Sheet at March 2014 to £54 million (2013: £25 million). Work commenced upon three of these sites with Work In Progress increasing to £10 million (2013: 9 million).

To fund this expansion, on 5<sup>th</sup> December 2014 the Group agreed a Revolving Credit Facility for £70 million in funding with RBS and HSBC plc. This funding line was used to replace all existing debt positions and has subsequently increased to £85 million. The Group's subsidiary and associated undertakings drew down bank loans of £45 million (2013: £35 million) and repaid loans of £42 million (2013: £12 million) with £25 million (2013: £22 million) outstanding at the year end. Since the year end, the Group has drawn down a further £3 million of loans.

During the financial year the Group continued its operations in managing the Farm Lane and Richmond Joint Ventures. On Farm Lane, the Group oversaw the spend of £11m on Work In Progress and successfully commenced the selling phase of the project. The first completions are now expected in October 2014. The Richmond is on track with the planning submission approval expected in mid-2014, after which development can start.

#### **STRATEGY**

Going forward the Group will continue to develop out the existing sites and acquire sites within the M25 area with the view to develop in the short term.

The Directors anticipate that the Group will continue to grow and generate profits in the forthcoming year and they are confident about the future prospects of the Company and the Group.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Group's strategy are subject to a number of risks.

Inability to source suitable land at satisfactory margins, resulting in a detrimental effect on the Group's land bank – this is mitigated through pre-purchase due diligence, viability assessments and authorisation of land purchases in line with Group procedures.

Delays and the increased complexity of the planning process, resulting in a slowdown of the Group's growth – this is mitigated through taking advice from professionals to progress the planning process.

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

#### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

Impact of the marketplace on buyer confidence and mortgage finance availability, resulting in adverse operational performance – this is mitigated by careful product and pricing strategy and use of sales incentives.

Inability to source appropriately skilled personnel and suitably priced materials, resulting in delays and declining profitability – this is mitigated by ensuring that systems are in place for engaging, monitoring and controlling work carried out by subcontractors and by ensuring that materials are secured at competitive prices.

Continued support of the Group's Banks – this is mitigated by regular reporting and monitoring with the Banks as well as securing financing arrangements with more than one bank at market competitive terms.

Inability to operate successfully in a highly competitive market, resulting in declining performance – this is mitigated by remaining informed of the changes in market conditions and responding to them strategically to ensure the Group maximises its performance.

#### **FINANCIAL RISK MANAGEMENT**

The key financial risks and uncertainties affecting the Company and the Group are considered to relate to liquidity and interest rate movements, as set out below:

**Liquidity** – Cash flows are reviewed by the management on a regular basis and appropriate processes have been put in place to mitigate risks. Preference share and loan note funding and associated interest is not repayable until 2017. Bank loans are repayable on a revolving basis with the facility not expiring until December 2017.

**Interest Rate Movements** – The Group's principal activities are funded by preference share and loan note issues and bank loans. In the event of a rise in interest rates, the potential risk to the Group has been mitigated by using a fixed interest rate on the preference shares and loan notes issued. Bank loans carry interest at LIBOR plus a fixed margin and the Directors have mitigated part of this risk by entering into hedging arrangements with the bank providing the loans.

#### **FUTURE DEVELOPMENTS**

The Directors anticipate that the Group will continue to grow and generate profits in the forthcoming year and they are confident about the future prospects of the Company and the Group.

#### **EMPLOYEE INVOLVEMENT**

The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining performance. The Group encourages the involvement of employees by means of continuous improvement teams and regular communication activities.

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

#### **EQUAL OPPORTUNITIES**

The Group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Group gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

#### **ENVIRONMENTAL POLICY**

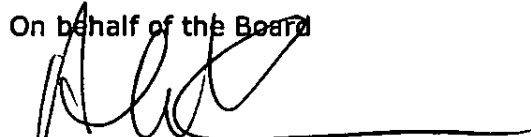
The Group has a well-established environmental policy, setting out its environmental objectives and commitment to progress towards environmental excellence. The emphasis is on continuous improvement of environmental performance. This entails influencing suppliers and sub-contractors to adopt sound environmental management practices.

#### **HEALTH & SAFETY**

Health & Safety is key area of focus for the group, and the Directors regularly monitor the Group's Health and Safety record.

The Strategic Report on pages 3 to 5 was approved by the Board of Directors on 21 May 2014.

On behalf of the Board



A P Lawrence  
Director

26 June 2014



## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **Independent auditors' report to the members of London Square Developments (Equity) Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion the financial statements, defined below.

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2014 and of the group's loss, the parent company's result and the group's and the parent company's cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report

##### **What we have audited**

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by London Square Developments (Equity) Limited, comprise:

- the group and parent company balance sheet as at 31 March 2014;
- the group profit and loss account for the year then ended;
- the group statement of cash flows for the year then ended,
- the accounting policies, and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **Independent auditors' report to the members of London Square Developments (Equity) Limited (continued)**

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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 group's and the parent 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.

In addition, we read all the financial and non-financial information in the Annual Report 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

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **Independent auditors' report to the members of London Square Developments (Equity) Limited (continued)**

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement, 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 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



**Pauline J Campbell (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
27 June 2014**

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED****GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014**

	<u>Note</u>	<u>Year ended</u> <u>31.03.2014</u> <u>£'000</u>	<u>Year ended</u> <u>31.03.2013</u> <u>£'000</u>
Turnover		48,164	44,331
Cost of sales		(35,962)	(33,913)
Gross profit		12,202	10,417
Distribution costs		(1,579)	(1,276)
Administrative expenses		(7,413)	(4,996)
Other operating income		2,663	913
Shares of losses from associates		(811)	(525)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>	<b>1</b>	<b>5,063</b>	<b>4,535</b>
Interest receivable and similar income	2	195	132
Interest payable and similar charges	3	(7,111)	(7,770)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,853)</b>	<b>(3,104)</b>
Tax on loss on ordinary activities	4	(885)	824
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(2,739)</b>	<b>(2,280)</b>

All amounts relate to continuing operations.

All losses are attributable to the owners of London Square Developments (Equity) Limited.

There were no recognised gains or losses other than the loss for the year reported above and therefore no statement of total recognised gains and losses has been presented.

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

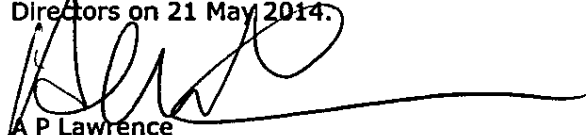
The notes on pages 13 to 30 form part of these financial statements

# LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED

**COMPANY REGISTRATION NUMBER: 07774351**  
**GROUP BALANCE SHEET AS AT 31 MARCH 2014**

	<u>Note</u>	<u>At 31.03.2014</u>		<u>At 31.03.2013</u>	
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		1,108		146
Investments in Associates	9		5,230		6,041
Deferred tax asset	4		86		824
			6,425		7,011
<b>CURRENT ASSETS</b>					
Stock	10	63,682		43,312	
Debtors	11	9,575		3,173	
Cash at bank and in hand	18	13,226		29,874	
		86,483		76,359	
<b>CREDITORS: amounts falling due within one year</b>					
	12				
		(21,448)		(37,995)	
<b>NET CURRENT ASSETS</b>					
			65,035		38,365
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			71,460		45,376
<b>CREDITORS: amounts falling due after more than one year</b>					
	13				
			(88,145)		(59,342)
<b>NET LIABILITIES</b>					
			(16,685)		(13,966)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1,000		980
Profit and loss account	15		(17,685)		(14,946)
<b>TOTAL shareholders' deficit</b>	16		(16,685)		(13,966)

The financial statements on pages 13 to 30 were approved and authorised for issue by the Board of Directors on 21 May 2014.

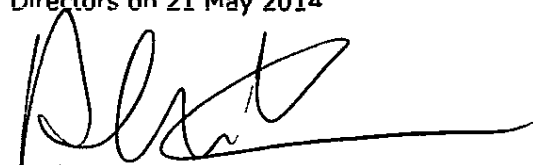
  
A P Lawrence  
Director  
25 June 2014

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED****COMPANY REGISTRATION NUMBER: 07774351****COMPANY BALANCE SHEET AS AT 31 MARCH 2014**

	<u>Note</u>	<u>At 31.03.2014</u>		<u>At 31.03.2013</u>	
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>FIXED ASSETS</b>					
Investment in subsidiary	8	26,588		26,588	
<b>CURRENT ASSETS</b>					
Debtors	11	6,107		3,525	
<b>CREDITORS:</b> amounts falling due within one year	12	(15)		(15)	
<b>NET CURRENT ASSETS</b>		6,092		3,510	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			32,680		30,098
<b>CREDITORS:</b> amounts falling due after more than one year	13		(31,680)		(29,118)
<b>NET ASSETS</b>			1,000		980
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1,000		980
Profit and loss account	15		-		-
<b>TOTAL shareholders' FUNDS</b>	16		1,000		980

The company is exempt from preparation of parent company profit and loss account in accordance with section 408 of Companies Act 2006.

The financial statements on pages 9 to 30 were approved and authorised for issue by the Board of Directors on 21 May 2014



A P Lawrence  
Director  
26 June 2014

# LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	<u>Note</u>	<u>At 31.03.2014</u>	<u>At 31.03.2013</u>
		<u>£'000</u>	<u>£'000</u>
<b>Cash flows from operating activities</b>			
Profit/(loss) on ordinary activities before interest and taxation		5,063	4,535
Adjustments for:			
Depreciation of tangible fixed assets	7	114	121
Share of losses of associates	9	811	525
		<u>5,988</u>	<u>5,180</u>
(Increase)/decrease in trade and other debtors	11	(6,236)	(1,302)
(Increase)/decrease in stock	10	(20,370)	7,836
Increase/(decrease) in trade and other creditors	12	4,977	12,262
		<u></u>	<u></u>
<b>Net cash generated from/(used by) operating activities</b>		(15,641)	23,976
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,076)	(35)
Disposal of tangible assets		(1)	-
Investments in associate undertakings	-		(6,566)
		<u></u>	<u></u>
<b>Net cash generated from /(used by) investing activities</b>		(1,077)	(6,602)
<b>Cash flows from financing activities</b>			
Proceeds from issue of bank loans		45,428	21,438
Proceeds from issue of loan notes	-		4,468
Bank loan repayments		(42,012)	(11,522)
Other loans repaid	-		(3,412)
Bank loan interest paid		(1,858)	(984)
Bank Arrangement fees paid		(1,498)	-
Proceeds from issue of share capital		20	-
		<u></u>	<u></u>
<b>Net cash generated from /(used by) financing activities</b>		80	9,988
<b>Net increase in cash and cash equivalents</b>		<u>(16,638)</u>	<u>27,362</u>
<b>Cash and cash equivalents at start of year</b>	18	29,854	2,492
		<u></u>	<u></u>
<b>Cash and cash equivalents at end of year</b>	18	13,215	29,854
		<u></u>	<u></u>

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **ACCOUNTING POLICIES**

#### **BASIS OF ACCOUNTING**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the existing banking and loan facilities of the Group and the support obtained from Graphite Capital Management LLP on behalf of the funds investing in the Group. The principal accounting policies adopted, which have been applied consistently throughout the year, are set out below.

#### **TURNOVER**

Turnover represents the total receivable in respect of sales and services provided, net of value added tax. All turnover arises within the United Kingdom. Revenue from the sale of private residential dwellings is recognised at the fair value of consideration received or receivable on legal completion, net of selling discounts.

Turnover also includes land sales which are also recognised at the fair value of consideration received at the time of legal completion, net of selling discounts.

Contracting development sales for affordable housing are accounted for as construction contracts based on an agreed percentage of completion with the counter-party.

#### **COST OF SALES**

Costs attributable to fully develop the residential dwellings are regularly assessed on a site-by-site basis and are fairly apportioned and charged to the profit and loss account to reflect the legal completions recognised in the financial period. Costs include direct materials, labour costs, site overheads, associated professional charges and other attributable overheads incurred in bringing a site to its state of completion at the period end.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided, on a straight line basis, on all tangible fixed assets, at rates which are calculated to write off the cost of those assets, less their estimated residual value, over their expected useful economic lives on the following basis:

- |                                    |                            |
|------------------------------------|----------------------------|
| • Computer equipment and software  | 3 Years                    |
| • Office equipment                 | 4 Years                    |
| • Furniture, fixtures and fittings | 4 Years                    |
| • Leasehold improvements           | Over the life of the lease |

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents relate to all bank and similar balances which are readily available and liquid for use on demand. Additionally, cash and cash equivalent balances totalling £611,074 (2013: £14,074,515) include cash deposits and sale proceeds which, while not immediately available for use on demand owing to the terms of the loan facilities agreed with the bank, remain the assets of the Group. All proceeds included in cash and cash equivalents are under the absolute control of London Square Developments (Equity) Limited as the ultimate parent company of the group.



## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **ACCOUNTING POLICIES (CONTINUED)**

#### **STOCKS INCLUDING WORK IN PROGRESS**

Owned and contracted land and their related purchase costs and development expenses are valued at the lower of cost and net realisable value. Costs include direct materials, labour costs, site overheads, associated professional charges and other attributable overheads incurred in bringing a site to its state of completion at the period end, including an appropriate proportion of indirect expenses. Net realisable value represents the estimated selling prices less all estimated costs of completion and overheads.

#### **LEASING**

Rentals paid / received under operating leases are charged / credited to the profit and loss account on a straight line basis over the lease term.

#### **DEPOSITS**

New property deposits and on account contract receipts are held within trade creditors until the legal completion of the related property or cancellation of the sale.

#### **OTHER OPERATING INCOME**

Other operating income comprises freehold reversions, rent receivable, and other incidental sundry income which are recognised on a received basis.

#### **TAXATION**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates of tax expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit those earnings. Deferred tax assets are provided to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **INVESTMENTS IN SUBSIDIARY UNDERTAKING**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairments. Impairment reviews are performed by management when there has been an indication of potential impairment.

#### **ASSOCIATED ENTITIES**

The Company holds an interest with one or more other parties where a contractual arrangement has established a significant influence on the operating decisions of the entity. Investments in associated entities are accounted for under the equity method of accounting.

#### **PREFERENCE SHARE DIVIDENDS**

Under FRS25 "Accounting for Capital Instruments", the Directors consider that the 10% Preference Shares should be treated as debt. Accordingly, the preference dividend is shown as interest payable and is calculated at the fixed interest rate and accrued on a daily basis. The interest dividend is not payable until 2017.

#### **BANK BORROWINGS**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Interest costs are recognised as an expense in the income statement in the period to which they relate.

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## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **ACCOUNTING POLICIES (CONTINUED)**

#### **INTEREST RATE SWAPS**

The Group uses interest rate swaps to reduce exposure to interest rate fluctuations on variable rate bank loans. Interest rate contracts are fixed on a quarterly basis and gains or losses on interest rate swaps are taken to the profit and loss account when the interest contracts crystallise. The Group does not hold or issue derivative financial investments for speculative purposes.

#### **CONSOLIDATION**

The consolidated financial statements of the Group comprise the financial statements of the Company and all its subsidiary undertakings, the financial statements of which are all made up to 31 March and all of whom follow uniform accounting policies. Profits and losses on intra group transactions are eliminated on consolidation. As permitted by the Companies Act 2006, the profit and loss account of the Company is not presented.

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

#### **1 PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION**

The profit before interest and taxation, which is wholly attributable to the principal activities of the Group and arises within the United Kingdom, is stated after charging:

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
Wages and salaries	4,413	3,910
Social security costs	454	399
	<hr/>	<hr/>
Staff costs	4,867	4,310
	<hr/>	<hr/>
Depreciation of owned tangible fixed assets	113	121
Services provided by the Group's auditors:		
Fees payable for the audit	50	43
Fees payable for other services - tax	35	83
Operating lease charges - plant and machinery	22	19
Operating lease charges - other	44	54
Finance arrangement fees	975	419
	<hr/>	<hr/>

#### **RESULT ATTRIBUTABLE TO LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

The result for the year ended March 2014 dealt with in the financial statements of London Square Developments (Equity) Limited is £nil (2013: £nil). Audit fees relating to the statutory audit of the Company of £3.55k (2013: £3k) were borne by its subsidiary undertaking, London Square Developments Limited.

#### **2 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
Bank interest received	26	17
Other interest received	170	114
	<hr/>	<hr/>
	195	132
	<hr/>	<hr/>

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)****3 INTEREST PAYABLE AND SIMILAR  
CHARGES**

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
Bank loan Interest payable	1,593	1,712
Preference share dividend payable	2,562	2,562
Loan note interest payable	2,714	2,456
Other loan interest payable	2	7
Other interest payable	9	7
Amortisation of finance issue costs	231	1,027
	<hr/>	<hr/>
	7,111	7,770
	<hr/>	<hr/>

**4 TAX ON LOSS ON ORDINARY ACTIVITIES**

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
<b>Current taxation:</b>		
U.K. Corporation Tax charge on the loss for the year	148	-
<b>Deferred taxation:</b>		
Origination and reversal of timing differences	887	(859)
Prior period adjustment	(157)	-
Effect of changes in tax rates	8	36
	<hr/>	<hr/>
Tax charge / (credit) on loss on ordinary activities	885	(824)
	<hr/>	<hr/>

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)****4 TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)**

The tax assessed for the year is different from the rate of corporation tax in the U.K. of 23.25% (2013: 24%). The difference is explained below:

Loss on ordinary activities before taxation	(1,853)	(3,104)
Taxation at the average rate of 23.25% (2013: 24%) applicable in the U.K. on the loss on ordinary activities	(426)	(745)
Expenses not deductible for tax purposes	60	679
Capital allowances for the year in excess of depreciation	21	21
Utilisation of tax losses	(778)	(987)
Group relief not paid for	-	3
Movement in short term timing differences	495	239
Interest deductible in future periods on a paid basis	589	592
Overseas losses not available for UK group relief	187	126
Tax losses arising in the year not recognised	-	72
Current tax for the year	148	-

**Deferred Tax**

The movement during the period in relation to deferred tax is as follows:

	<u>£'000</u>
Deferred tax asset at start of period	824
Deferred tax credit in profit and loss	(737)
Deferred tax asset at end of period	<u>86</u>

The deferred tax asset at 31 March 2013 comprises the following:

Accelerated capital allowances	(5)
Short term timing differences - trading	151
Short term timing differences - non trading	5
Losses carried forward	1
Deferred tax assets not provided	(66)
Deferred tax asset at end of period	<u>86</u>

## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

#### **4 TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)**

##### **Factors which may affect future charges:**

There is an unprovided deferred tax asset of £4,643 (2013: £1,002,566) relating to losses carried forward. The deferred tax asset has not been recognised in the financial statements due to uncertainty over the timing of suitable future taxable income.

Finance Act 2012, which was enacted on 17 July 2012, includes legislation reducing the main UK corporation tax rate from 26% to 24%, effective from 1 April 2012. A further reduction to 23% was also enacted on this date and is effective from 1 April 2013. The financial statements reflect these changes.

Finance Act 2013, which was enacted on 17 July 2013, includes legislation reducing the main UK corporation tax rate from 23% to 21%, effective from 1 April 2014. A further reduction to 20% was also enacted on this date and will be effective from 1 April 2015.

#### **5 DIRECTORS EMOLUMENTS**

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
Aggregate emoluments	2,246	882

The total emoluments paid to the highest paid director were £575k (2013: £570k).

#### **6 EMPLOYEE INFORMATION**

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	<u>2014</u> <u>Number</u>	<u>2013</u> <u>Number</u>
Production	11	8
Selling	9	2
Administration	30	29
	<u>50</u>	<u>39</u>

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

**7 TANGIBLE FIXED ASSETS**

	<u>Land and Buildings</u>	<u>Computer Equipment &amp; Software</u>	<u>Office Equipment</u>	<u>Furniture, Fixtures and Fittings</u>	<u>Leasehold Improvements</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>Cost</b>						
At 1 April 2013	-	110	17	57	232	415
Additions	1,057	12	2	3	-	1,074
Disposals	-	-	-	-	(1)	(1)
Transfers	-	-	(5)	5	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	1,057	122	14	65	231	1,489
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated Depreciation</b>						
At 1 April 2013	-	(68)	(6)	(26)	(171)	(270)
Charge	-	(33)	(4)	(15)	(60)	(113)
Eliminated on disposals	-	-	-	-	-	-
Transfers	-	-	1	(1)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	-	(101)	(9)	(42)	(231)	(382)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>						
At 31 March 2014	1,057	21	5	23	-	1,106
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2013	-	42	11	32	61	146
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)

### 8 INVESTMENTS - COMPANY

	<u>£'000</u>
Cost	
At 1 April 2013	26,588
Additions	-
	<hr/>
At 31 March 2014	26,588
	<hr/>

The directors believe the carrying value of the investment, London Square Developments (Ventures) Limited, and the carrying values of its indirectly held subsidiaries, are supported by their underlying trade and net assets.

The Company owns 100% of the issued share capital of the subsidiary companies (all incorporated in England and Wales) listed below:

Name	Business Activity	Class of Shares
London Square Developments (Ventures) Limited	Holding company	£1 ordinary shares

#### Indirectly held subsidiaries:

London Square Developments (Holdings) Limited	Holding company	£1 ordinary "A" shares £1 ordinary "B" shares 10% cumulative preference shares
London Square Developments Limited	Land developer and house builder	£1 ordinary shares
London Square (Investments) Limited	Holding company	£1 ordinary shares
London Square (Putney) Limited	Land developer and house builder	£1 ordinary shares
London Square (Leonard St ) Limited	Land developer and house builder	£1 ordinary shares
London Square (Fulham) Limited	Holding company	£1 ordinary shares
London Square Development Management Limited	Land developer and house builder	£1 ordinary shares
London Square (Caledonian Road) Limited	Land developer and house builder	£1 ordinary shares
London Square (RSG) Limited	Holding company	£1 ordinary shares
London Square (Chigwell) Limited	Land developer and house builder	£1 ordinary shares

The Company's indirectly held subsidiaries own issued share capital of the associate companies (all incorporated in Jersey) listed below:

Name	Owned by:	% Held	Business Activity	Class of Shares
Fulham Developments (Jersey) Limited	London Square (Fulham) Limited	25%	Land developer and house builder	£1 ordinary "B" shares
Richmond Hill Developments (Jersey) Limited	London Square (RSG) Limited	15%	Land developer and house builder	£1 ordinary "B" shares

The Directors believe the carrying values of the associate investments are supported by their underlying trade and net assets



**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

**9 INVESTMENTS - GROUP**

	<u>£'000</u>
Cost	
At 1 April 2013	6,041
Additions	(811)
	<hr/>
At 31 March 2014	5,230
	<hr/>

The Directors believe the carrying values of the associate Investments are supported by their underlying trade and net assets.

# **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

### **10 STOCKS**

	<u>2014</u> <u>Group</u> <u>£'000</u>	<u>2013</u> <u>Group</u> <u>£'000</u>
Land	53,579	25,361
Work in progress	10,102	8,508
Finished dwellings	-	9,442
	<hr/>	<hr/>
	63,682	43,312
	<hr/>	<hr/>

### **11 DEBTORS**

	<u>2014</u> <u>Group</u> <u>£'000</u>	<u>2013</u> <u>Group</u> <u>£'000</u>	<u>2014</u> <u>Company</u> <u>£'000</u>	<u>2013</u> <u>Company</u> <u>£'000</u>
Trade debtors	2,356	763	-	-
Amounts held by solicitors	759	1,022	-	-
Amounts owed by associate undertakings	4,183	495	-	-
Amounts owed by group undertakings	-	-	50	30
Other debtors	1,081	354	-	-
Prepayments	922	431	-	-
Accrued preference share income	-	-	6,057	3,495
Accrued loan note income	275	109	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,575	3,173	6,107	3,525
	<hr/>	<hr/>	<hr/>	<hr/>

Accrued preference share income comprises 10% preference share dividend income receivable by the Company of £6,057k (2013: £3,495k) from London Square Developments (Holdings) Limited which is not due to be received until 2017. Accrued loan note interest is receivable by the Group of £275k (2013: £109k) from its associate undertaking, Fulham Developments (Jersey) Limited and is not expected to fall due within one year. The remaining amounts shown as owed by group undertakings are unsecured, interest-free and repayable on demand. All other debtors are expected to fall due within 1 year. Interest is receivable on amounts held by solicitors at the current bank base rate attributable to solicitor's client accounts.

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)****12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2014</u> <u>Group</u> <u>£'000</u>	<u>2013</u> <u>Group</u> <u>£'000</u>	<u>2014</u> <u>Company</u> <u>£'000</u>	<u>2013</u> <u>Company</u> <u>£'000</u>
Bank loans and overdrafts	11	21,535	-	-
Other loans (unsecured)	76	76	-	-
Trade creditors	18,323	12,975	-	-
Amounts owed to group undertakings	-	-	15	15
Taxation and social security	279	194	-	-
Other creditors	653	129	-	-
Accruals and deferred income	2,106	3,085	-	-
	<u>21,448</u>	<u>37,995</u>	<u>15</u>	<u>15</u>

Trade creditors includes advances received from customers for contract work amounting to £nil (2013: £656k), of which £nil (2013: £20k) are not expected to be performed within one year.

The bank loans are secured on the assets of the Group and are repayable from the proceeds of the developments under construction. Interest costs on bank loans are incurred at LIBOR plus a fixed margin and are rolled into the principal loans on a quarterly basis.

Amounts owed to the subsidiary undertakings are unsecured, interest-free and are repayable on demand. All other creditors are expected to fall due within 1 year.

# **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

### **13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>2014</u> <u>Group</u> £	<u>2013</u> <u>Group</u> £	<u>2014</u> <u>Company</u> £	<u>2013</u> <u>Company</u> £
Bank loans	23,527			
Other loans	28,398	26,044	-	-
Redeemable 0.01 pence preference shares	3	3	3	3
Cumulative redeemable 99.99 pence preference shares	25,620	25,620	25,620	25,620
Accrued dividend on £1 preference shares	2,859	2,859	-	-
Accrued dividend on 99.99 pence preference shares	6,057	3,495	6,057	3,495
Accrued loan note interest	1,681	1,321	-	-
	<hr/> 88,145	<hr/> 59,342	<hr/> 31,680	<hr/> 29,118

On 26 April 2012, the Group issued 4,468k £1 10% subordinated redeemable loan notes for total consideration of £4,468k. The total value of loan notes in issue at 31 March 2014 was £23,597k (2013: £23,597k). Loan note interest totalling £4,800k (2013: £2,447k) has been compounded at 31 March 2014.

All of the redeemable loan notes carry a fixed cumulative interest rate of 10% per annum, payable and redeemable at the same time, as follows:

1. On 31 March 2017;

or

2. Immediately prior to a sale or quotation.

The Group may also redeem the loan notes at any time, subject to giving not less than 7 days' notice and not more than 30 days' notice in writing to the holders of the loan notes shares.

All of the 10% cumulative preference shares carry a fixed cumulative preferential dividend at the rate of 10% per annum, payable and redeemable at the same time, as follows:

1. On 31 March 2017;

or

2. Immediately prior to a sale or quotation.

Subject to Investor Consent, the Company may also redeem preference shares at any time, subject to giving not less than 25 business days' notice in writing to the holders of the preference shares.

On a winding up, the holders have priority before all other classes of shares to receive repayment of capital plus dividend arrears. The holders have no voting rights.

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

**13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR  
(CONTINUED)**

The maturity of the Company's debt is as follows:

	Owed to subsidiary undertaking <u>£'000</u>	Cumulative redeemable preference shares <u>£'000</u>
Less than one year	15	-
Between two and five years	-	34,539
More than five years	-	-
	<hr/>	<hr/>
	15	34,539
	<hr/>	<hr/>

The maturity of the Group's debt is as follows:

	Bank loans and overdrafts <u>£'000</u>	Other loans <u>£'000</u>	Cumulative redeemable preference shares <u>£'000</u>
Less than one year	11	76	-
Between two and five years	23,527	30,079	34,539
More than five years	-	-	-
	<hr/>	<hr/>	<hr/>
	23,538	30,155	34,539
	<hr/>	<hr/>	<hr/>

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

14	<b>CALLED UP SHARE CAPITAL</b>	<u>Group and Company</u> <u>2014</u> <u>£'000</u>	<u>Group and Company</u> <u>2013</u> <u>£'000</u>
	Allotted, issued and fully paid:		
	Ordinary "A" shares of £1 each	780	780
	Ordinary "B" shares of £1 each	220	200
		<hr/>	<hr/>
		1,000	980
		<hr/>	<hr/>

Both types of ordinary shares have the same economic and voting rights but differ in the nature of whether they are held by external investors ("A" ordinary shares) or Directors and employees of the Company ("B" ordinary shares). There are certain restrictions on who may be issued with "B" ordinary shares and how those shares may be transferred or disposed.

15	<b>OTHER RESERVES</b>	<u>Profit and Loss Account</u> <u>£'000</u>
	<b>Group</b>	
	At 1 April 2013	(14,946)
	Loss for the year	(2,739)
		<hr/>
	At 31 March 2014	(17,685)
		<hr/>
	<b>Company</b>	
	At 1 April 2013	-
	Result for the year	-
		<hr/>
	At 31 March 2014	-
		<hr/>

**LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)****16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>2014</u> <u>Group</u> <u>£'000</u>	<u>2014</u> <u>Company</u> <u>£'000</u>	<u>2013</u> <u>Group</u> <u>£'000</u>	<u>2013</u> <u>Company</u> <u>£'000</u>
(Loss)/result for the financial year	(2,739)	-	(2,280)	-
Net reduction from shareholders' (deficit)/funds	(2,739)	-	(2,280)	-
Opening shareholders' (deficit)/funds	(13,966)	980	(11,686)	980
Share capital issued in the year	-	20	-	-
<b>Closing shareholders' (deficit)/funds</b>	<b>(16,705)</b>	<b>1,000</b>	<b>(13,966)</b>	<b>980</b>

**17 LEASE COMMITMENTS - GROUP**

At 31 March 2014, the Group had annual commitments under non-cancellable operating leases expiring as follows:

	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
Land and buildings:		
Within one year	-	49
In the second to fifth years inclusive	-	-
More than 5 years	-	-
Motor vehicles:		
Within one year	3	-
In the second to fifth years inclusive	24	5
More than 5 years	-	-

# **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

<b>18</b>	<b>CASH AND CASH EQUIVALENTS - GROUP</b>	<u>2014</u> <u>£'000</u>	<u>2013</u> <u>£'000</u>
	Cash at bank and in hand at 1 April	29,874	2,492
	Bank overdraft at 1 April	(21)	-
		<hr/>	<hr/>
	Cash and cash equivalents at start of the year	29,854	2,492
		<hr/>	<hr/>
	Cash at bank and in hand at 31 March	13,226	29,874
	Bank overdraft at 31 March	(11)	(21)
		<hr/>	<hr/>
	Cash and cash equivalents at end of the year	13,215	29,854
		<hr/>	<hr/>

## **19 CONTINGENT LIABILITIES AND COMMITMENTS**

The Group has interest rate swaps outstanding at the year end that cap interest rates on variable rate bank loans. Rates are fixed on bank loan balances under contracts expiring:

	<u>2014</u> <u>Group</u> <u>£'000</u>	<u>2013</u> <u>Group</u> <u>£'000</u>	<u>2014</u> <u>Company</u> <u>£'000</u>	<u>2013</u> <u>Company</u> <u>£'000</u>
Within one year				
Rate capped at 1.5%	1,375	1,375	-	-
Within two to five years				
Rate capped at 2.5%	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## **20 RELATED PARTY TRANSACTIONS**

Advantage has been taken of the exemption in FRS8 not to disclose transactions with entities that are part of the London Square Developments (Equity) Limited group.

During the year the Chairman of the company, Mark Pain purchased a property in Ruislip. The transaction was at an arm's length purchase price.



## **LONDON SQUARE DEVELOPMENTS (EQUITY) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (CONTINUED)**

#### **21 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

London Square Developments (Equity) Limited is the parent undertaking of the largest group to consolidate these financial statements.

The Directors do not consider there to be any ultimate controlling party. Funds managed by Graphite Capital Management LLP held an interest of 80% in the equity share capital of London Square Developments (Equity) Limited as at 31 March 2014.