LONDON SQUARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

REGISTERED NUMBER: 07774351

CONTENTS

MAKING LONDON GREATER

Founded in 2010, the Group has already delivered developments worth £1.7 billion. By focusing solely on the capital and its surrounding areas, we are specialists in developing homes that are worthy of this magnificent city and the demands of its residents.

The property company with a difference. We've been making waves across the capital with our innovative approach to design, build and customer service, winning awards across the industry and creating places where people really want to live.

At London Square, we are dedicated to making London greater.

Highlights of the Year

Despite the impact of the global pandemic, the Group has had another successful year:

- 328 units completed (2020: 559)
- Revenue under management of £158.9m (2020: £314.2m)
- Embedded gross profit margin across land bank 18.3% (2020: 20.4%)
- Gross Profit Margin of 21.3% (2020: 9.9%)
- Operating Profit of £17.0m (2020: £10.8m)
- Net Gearing Ratio 53% (2020: 43%)
- Year End Cash Balance £33.8m (2020: £33.7m)
- Gross Tangible Asset Value £226.3m (2020: £200.7m)
- Net Tangible Asset Value £148.0m (2020: £140.8m)

Portfolio Highlights

- Completed final sales at 3 sites
- First completions at 2 sites
- Established new Square Roots partnership with Federated Hermes
- Forward sales of £195.4m (2020: £189.0m)
- Land Pipeline of 3,543 (2020: 2,353) units representing £1.7 billion (2020: £1.2billion) of GDV
- 4 sites exchanged (2020: 4)
- 4 planning consents received (2020: 3)
- Multiple award winner in construction and consumer satisfaction:
  - New London Awards, Mixing Category at Spitalfields;
  - Gold Award for Customer Satisfaction in 2020 and 2021 at the In-house Awards;
  - Outstanding Achievement for Customer Satisfaction in 2021 across all sites from the In-House Awards; and
  - NHBC Pride-In-The-Job award at Staines.

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

CHAIRMAN'S STATEMENT

The Group delivered a better-than-expected performance for the financial year ended 31 March 2021, with 328 completions. Expectations were curtailed by the impact of the COVID-19 pandemic and the resulting social distancing and lockdown requirements, but management responded well, immediately prioritising the health and safety of its colleagues and customers and ensuring a solid liquidity position for the Group.

The year saw the Group continue to successfully implement its strategy and diversify the activities of the business, in particular:

- Residential Sales – the Group has delivered a strong year given the circumstances of social distancing and lockdown;
- Square Roots – launch of an Affordable Homes initiative in partnership with Federated Hermes;
- London Square Partners - strategic initiative has progressed with a new development agreed with the London Borough of Waltham Forest on top of the previously announced contracts with Peabody and Clarion; and
- Strong Cash Management – despite the low activity forced by the COVID-19 pandemic, the Group has successfully maintained net gearing levels at 53% from 43% and finished the year in a good liquidity position (£33.8m Cash) with a solid forward sales position setting the Group up well for the next financial year.

I would like to thank all of our colleagues, suppliers and partners for their efforts during what was truly a remarkable year.

M.A.P.

Mark Pain
Chairman

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

OUR BUSINESS

We take our name from the ethos of London's famous squares, the legacy and the sense of community they have created over the centuries. Respectful of the past and inspired by the future, we are committed to creating exceptional properties that reflect the aspirations of our residents, stimulate thriving communities and set a new benchmark for modern living in the capital. Central to our strategy is the identification of prime sites within Greater London and the M25, targeting developments of 50 to 500 homes with prices from £200,000 to £4+ million.

We agree that London needs more homes, and we are proud to be at the heart of delivering much-needed new homes, creating new communities and revitalising forgotten, neglected corners of the capital.

We understand how vital it is to create new developments that make a difference to people's lives, developing homes across all tenures through three different business lines; London Square Partners, London Square Living and Square Roots that truly enhance the capital and allow people to live and work in London. London Square Works is our commercial business, demonstrating our commitment to ensure that the new communities we build help to contribute to the local economy in each area, attracting investment and new jobs.

LONDON SQUARE
PARTNERS

London Square Partners works with central and local government and housing providers to provide much-needed well designed new homes in well-connected locations. for social rent and other affordable tenures.

LONDON SQUARE
LIVING

London Square Living is the newly launched Build To Rent division, focusing on providing much-needed quality new homes to rent for people working and living in the capital.

LONDON SQUARE

London Square Developments delivers a diverse range of high quality homes for private sale, from first-time buyers to prime apartments and houses, across the company's residential and mixed use schemes.

LONDON SQUARE
WORKS

London Square Works is the commercial arm, focusing on developing high quality bespoke space for offices, retail and leisure businesses to maximise the potential of every aspect of its mixed use developments.

SQUARE
ROOTS

Square Roots is a registered housing provider launched by London Square in 2021 to support the London Square initiative to bring new affordable housing product to the capital through shared ownership and affordable rent.

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

STRATEGIC REPORT

CEO'S REPORT

Overview

Created in 2010 to capture the opportunity for developing bespoke sites in London, we have built a strong reputation for efficiently developing complex sites as a premier house builder with £1.7 billion under development.

We have been successful with our historical focus on direct sales in the London market and have implemented a wide-ranging cost optimisation programme to ensure improvement in our margins and returns. While direct sales will remain the core focus of our business, we recognise there are incremental opportunities in London's Build-to-Rent and affordable housing markets.

Over the next 5 years, we will leverage our transferable London specific capabilities to capitalise on incremental opportunities in these less competed, high growth markets, unlocking new capital with attractive investment characteristics, to forward fund more of our sites.

- We will continue to build our track record in the high growth Build-to-Rent segment, working with institutional investors to facilitate their capital deployment strategies
- We will continue to enter into strong, profitable partnerships and joint ventures with housing associations and local authorities through our Partners brand
- We will establish a for-profit registered provider to allow us to better support the delivery of affordable housing in London in a low capital manner, leveraging our existing relationships with local authorities

Taking this multi-channel approach enables us to work with capital from a range of sources, unlocks new and profitable opportunities and gives us the flexibility required to maximise our returns whilst balancing our risk portfolio on each development.

The past year has been an unusual one, with the world gripped by a pandemic. It started with the UK being in full lockdown and heightened levels of uncertainty about the future. London Square was quick to respond, only losing two weeks to downtime across its development sites and with site productivity remaining above 80% while implementing social distancing procedures. Office based staff were seamlessly transitioned to remote working. Sales staff adapted to selling virtually or maintaining social distancing in the cases where viewings were possible. By the midpoint of the year, the Group had adapted to its new trading environment, site activity was back up to full production and sales rates were exceeding those achieved in the prior year. As a result, the year ended 31 March 2021 has turned out better than envisaged at the outset.

Specifically, some of the key achievements during the year under review were:

- *Maintained a High Level of Liquidity* – at the outset the liquidity of the business's capital was considered a priority, the Net Gearing Ratio has increased marginally to 53% (2020: 43%) and the Group finished the year with £33.8m of cash on the balance sheet having maintained available liquidity at over £20m throughout the year.
- *Delivered Growth* – despite the restrictions the Group set out to further grow with Gross Tangible Asset Value increasing by 12.8% (2020: decrease of 33.1%). This is also reflected in the Land Bank increasing by 50.6% to 3,543 units.
- *Delivered Quality Units* – during the year the Group delivered 328 (2020: 559) residential units, which given the outlook at the beginning of the year was above expectations and the Group has achieved this with an outstanding level of quality and construction safety.
- *Launched Affordable Housing Initiative* – As part of the strategic review, the Board agreed to develop its own Registered Affordable Housing Provider and established Square Roots Registered Provider Ltd (Square Roots). During the year, the Group secured forward funding arrangement with Federated Hermes for its first site in Lewisham. Further sites are in the pipeline.

- *Grow Partnerships* – during the year the Group continued to build on its Partnership strategy, not only with Federated Hermes under the Affordable Housing Initiative but also in contracting with London Borough of Waltham Forest in the delivery of over 300 new homes in Lea Bridge.

As a result of the above the Group has finished the year with a growing forward sales position driven, in particular, by the success achieved in our Affordable Housing and Partnerships business. As at 31 March 2021 the forward contracted sales order book was at £195.4m (2020: £189.0m) a 3% growth year on year with Affordable Housing representing 52.4% of the value (2020: 49.4%).

However, the Group cannot avoid that the sales market activity is uncertain while the world gets used to a new way of operating and as a result the directors have focussed on maintaining growth through the achievement of longer term contracting of development revenues. This resulted in a reduction in the embedded margin in the land bank to 18.3% (2020: 20.5%) but with a greater certainty of future revenues. Despite this the Group was able to improve the reported profitability this year with the Operating Margin improving to 10.7% (2020: 4.0%).

Looking beyond the near-term uncertainty, having established a substantial base from which to grow, the strategic objectives in the medium term are to continue to grow the Affordable Housing Initiative through Square Roots and to capitalise on investor appetite through forward funding arrangements in the Build-to-Rent sector while continuing to primarily remain a private sale residential developer. In the past year, we have invested a further £126.8m (2020: £121.1m) in development projects to this end.

UK Housing Market

The Group operates in the UK housing market with a specific focus on the London region. During the year ended 31 March 2021 the market was clearly impacted by the COVID-19 pandemic. Lockdown and social distancing measures had a negative impact on the ability to trade and the general economic activity. However, this impact on the housing market was not as severe as seen in some other parts of the economy. Although general economic activity was restricted, Government schemes put in place to protect workers and businesses appears to have kept consumer confidence in a position that meant once lockdown measures were lifted spend recovered accordingly. The uncertainty created around the UK withdrawal from the European Union has significantly reduced with the agreements reached. These factors combined have led to a reasonable level of consumer activity in the housing market with the imbalance between supply and demand becoming the dominant factor and again resulting in price increases.

The imbalance between supply and demand has been a long-term factor of the market. Driven by long term low level of housing development starts in the capital and a highly complex planning environment between the needs of local boroughs, the mayor and central government initiatives. This imbalance appears across all sectors of the residential market but has been most prominent at the lower Average Selling Prices (ASP). This is the reason behind the Groups long term strategy of lowering the ASP from £727k in 2016 to £468k in 2021. It is widely accepted that the imbalance is significantly impacting the provision of Affordable Housing in the market. This has not been helped by recent diversion of capital resources toward existing building identified as at risk due to the issues identified in the Grenfell fire incident. With no exposure to this issue, the Group has been able to divert its resources to address this aspect of the market through the Square Roots initiative below.

Cost pressure has been maintained with material prices seeing pressure build over the year as supply lines have been tested in a post-Brexit import market and with the additional burden of increased activity from demand returning. Profit margins have consequently been under pressure.

Government stimulus of the Housing Market in the form of the stamp duty holiday, planning reform proposals and housing support schemes continue to be a factor that supports the overall market. The impact on the London region of these measures is muted due to their design but we welcome the stimulus it does provide. Key to the activity levels remaining will be the interest rate and mortgage approval environment and as long as these continue to remain at current levels the market should remain buoyant.

Land Investment

Considering the greater than expected housing market activity, coupled with the Group being in a strong liquidity position, we have purposefully pursued land buying activity. Below we highlight the activity we have engaged in with our Partners which has added a significant amount of potential Revenue under Management. Our current approach to investing is to apply a disciplined approach to margins and capital returns with regard to the risks.

During the year, we exchanged on four new sites (2020: four), which enabled the Group to grow its land bank level consisting of 3,543 units (2020: 2,353 units). The embedded gross profit margin across our land bank remained decreased to 18.3% (2020: 20.4%) as the proportion of Partners forward-funded sites increased.

Since year end we have continued to build the land bank with the securing of a further 2 new sites with over 250 units. On the development side, the past year has shown some success, with 4 planning consents achieved during the year adding 685 units (2020: 221 units). The timing of such consents remains the key determinant of our long-term activity.

Partners

Our strategic initiative into partnering with public sector organisations was launched in 2017 and has met with considerable success to date and we were delighted that this year London Square Partners was chosen as the partner for the development of a 300+ unit scheme in Lea Bridge with the London Borough of Waltham Forest. We continue to work with Peabody on the Stratford and Holloway Projects and Clarion on the three projects announced last year. During the year we have launched a further initiative into the Affordable Housing sector with Federated Hermes.

Square Roots

During the year the directors considered the current market trends and the overall need for additional Affordable Housing in London. Determining that the Group is ideally positioned to help address this need we established a registered housing provider, Square Roots Registered Provider Ltd, and set about identifying projects that would be accretive to the current affordable housing provision. The site in Lewisham was the first of these and in line with our intention to partner with other organisations we partnered with Federated Hermes to provide the funding to launch this operation. On completion of this site Square Roots will be managing 141 affordable units. Following on from this success we have also secured the Kingston site on the same basis and have set about recruiting the independent management team that will govern the operations of Square Roots. Square Roots will then be able to operate as its own entity within the Group.

London Square Works

Within the Group's land bank, there is over £141m (2020: £123m) of value attributed to the sale of commercial units. These units form part of the residential planning permission as we have designed and created living environments for our residents that are places of destination.

During the year ended 31 March 2021 London Square has realised the commercial unit value of £1.5m (2020: £11.2m). This was primarily through the Staines development.

Portfolio Review

London Square projects are varied in size, stage and nature and we pride ourselves on being able to find the right solution for each location. Below is a snapshot of our portfolio showing each in terms of number of *residential units, percentage affordable, Average Selling Price of the private units and anticipated completion.*

Project	Units	Nature	Affordable	ASP	Completing	
Greenwich Peninsula*	1,300	Flatted	39%	£479k	2029	
Holloway*	1,100	Flatted	60%	-	2028	Partnership
Stratford	457	Flatted	31%	£491k	2024	Partnership
Staines-upon-Thames	364	Flatted	29%	£370k	2022	Partnership
Lea Bridge*	320	Flatted	45%	£460k	2026	Partnership
Bermondsey	276	Flatted	30%	£786k	2022	
West Croydon	240	Flatted	55%	£434k	2024	Partnership
Thameside Wharf*	217	Flatted	31%	£575k	2025	
Bermondsey P3*	190	Flatted	39%	£794k	2029	
Tonbridge*	180	Flatted	30%	£291k	2024	
Lewisham	141	Flatted	100%	-	2023	Partnership
Neasden	121	Flatted	100%	-	2021	Partnership
Ruislip*	80	Flatted	23%	£441k	2024	
Watford	72	Flatted	-	£362k	2023	
Greenwich	59	Flatted	31%	£591k	2022	
Kingston	52	Flatted	100%	-	2023	Partnership
Chigwell*	90	Housing	-	£484k	2024	
Tadworth	229	Mixed	28%	£498k	2023	
Ascot*	140	Mixed	40%	£676k	2025	
Walton-on-Thames	104	Mixed	10%	£756k	2023	
Twickenham*	100	Mixed	21%	£650k	2025	

* Remains subject to planning at date of report

Outlook

With the continued threat of economic disruption from the COVID-19 pandemic declining and Brexit trading positions becoming clearer the view of future trading activity has improved. Accordingly, the current trading activity of the Group has been positive, and the Group remains on track for delivery of its planned residential unit sales. The significant forward order book position of £195m provides a solid underwriting of the outlook especially with £115m already contracted for the next financial year. However, there is some exposure to the commercial property market where investor appetite remains to be proven during this period of uncertainty. The increased level of activity has also bought about cost pressures particularly on the material prices. Processes put in place continue to prove effective at managing these increases in the current market. We are very excited by the prospect of the coming year.

The Strategic report is approved on behalf of the Board

A P Lawrence - Director
22 July 2021

KEY PERFORMANCE INDICATORS

Revenue Under Management

Definition

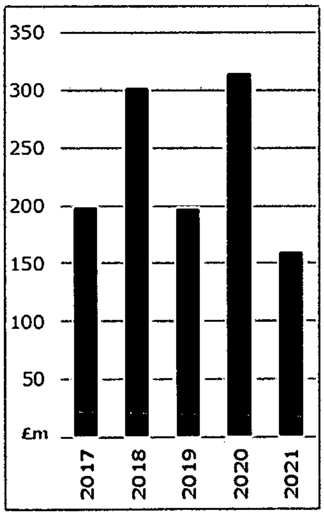
London Square engages in revenue generating activities in two different guises, on projects that are owned and controlled by the Group directly and projects where the Group has contracted to manage the project as the principal Development Manager. Revenue Under Management is the total of these two. Statutory revenue differs in so far as on the latter part revenue on Joint Ventures is excluded but the value of contracted costs incurred under the development management agreement but passed on to the project are included as revenue.

Strategy

The objective of London Square is to maximise the Revenue Under Management as this represents a key indicator of the underlying activity of the Group and the breadth of effort being exerted by the Group.

Performance

In the year ended 31 March 2021 the Group delivered £158.9m of Revenue Under Management (2020: £314.2m) a 49.4% decrease. This reflected a concerted effort by the sales team during the COVID-19 pandemic where sales completions were limited by social distancing restrictions but still achieved the highest Private Sales Rate (see below) in the last six years.



Revenue

Definition

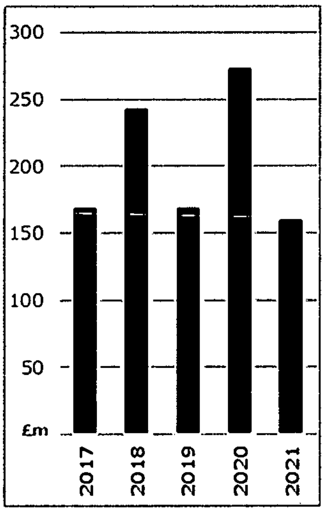
Revenue as reported under the Accounting Policies detailed in Note 1.

Strategy

London Square generates Revenue primarily from the sale of Residential Units. These Units are either sold to Private parties or to registered providers of Affordable Housing. Additional revenue is sourced from commercial units, freehold sales, land sales and development management agreements.

Performance

In the year ended 31 March 2021 the Group reported revenue of £158.8m (2020: £272.5m), a decrease of 41.7%. The business mix during the year ended 31 March 2021 showed a shift to a decreased reliance upon private residential sales with Revenue being comprised of 69.7% private residential (2020: 74.5%) and 27.0% affordable residential (2020: 20.4%).



Residential Units Completed

Definition

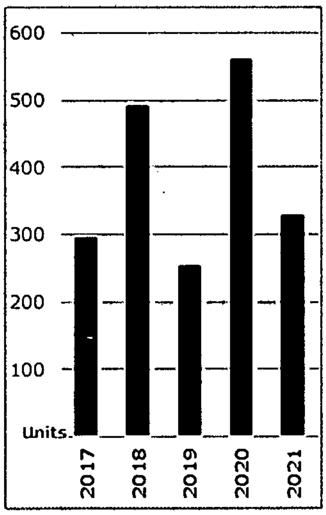
Supporting the Revenue Under Management is the underlying volume of transactions the Group performs measured in legally identifiable units of property. To qualify as a unit traded in the period of the legal completion with the purchaser. For Private units this is usually upon completion of the unit. For Social units this is usually upon the execution of a sales contract requiring London Square to build the units in which case equivalents representing the percentage completion are recognised.

Strategy

London Square seeks to maximise the number of units traded within the period in support of the Revenue under Management. Private Residential units will remain the core of the business, but industry trends and the Partnerships initiatives discussed above will result in a greater emphasis of Social Units.

Performance

In the year ended 31 March 2021 the Group completed 328 units (2020: 559) of which 195 units were private residential (2020: 376) indicating a reduced proportion of private units in the year than previously achieved which is consistent with the trend shown in the Revenue mix.



Average Value Per Unit

Definition

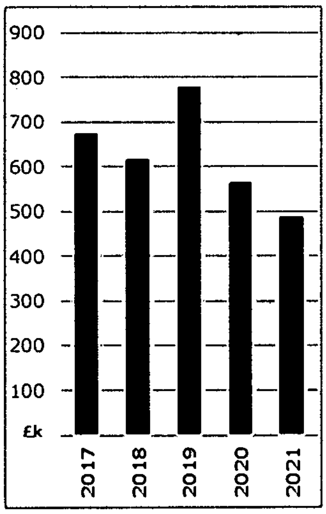
Average Value Per Unit is the total residential Revenue Under Management for the period divided by the number of residential units completed for the period. This can then be further subdivided to private and affordable units and is a representative of the capital selling value achieved during the period.

Strategy

In 2015 the Directors adopted the strategy to target a value below £600k for this Key Performance Indicator. This was achieved in three of the past four financial years. Going forward, the Directors expect this to be maintained at this level.

Performance

In the year ended 31 March 2021 the Average Value Per Unit decreased by 12.6% due to the increase in the proportion of affordable units discussed above. The Average Value per Private Unit decreased to £571.0k (2020: £650.9k), a 12.3% decrease created by the predominance of the Staines-upon-Thames and Tadworth sites. Affordable Residential Average Value per unit rose by 6.1% to £316.5k (2020: £298.3k).



Private Sales Rate

Definition

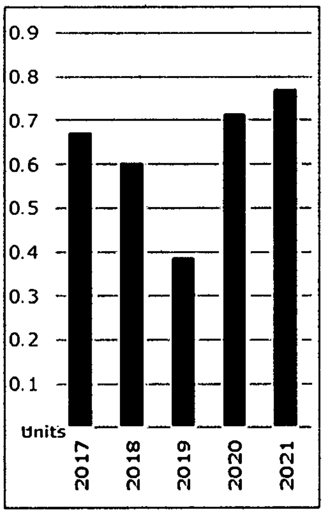
Calculated by taking the number of Reservations of Private Residential Units in a period divided by the number of weeks in that period divided by the number of sites actively selling in that period. Reservations are qualified as having paid a reservation deposit and having provided proof of availability of funds to complete the transaction.

Strategy

London Square aim to achieve a sales rate of between 0.4 and 0.6 units per week and will look to determine a selling strategy specific for each site. This involves setting a promotional and presentational approach to support the targeted pricing and if necessary, bulk selling to meet the overall rate.

Performance

In the twelve months ended 31 March 2021 the sales rate was maintained at 0.77 units per week per site compared to 0.71 in the prior year. Despite the COVID-19 pandemic immediately impacting the sales effort, the later part of the year saw exceptional progress helped by the launch of two new sites.



Forward Sales

Definition

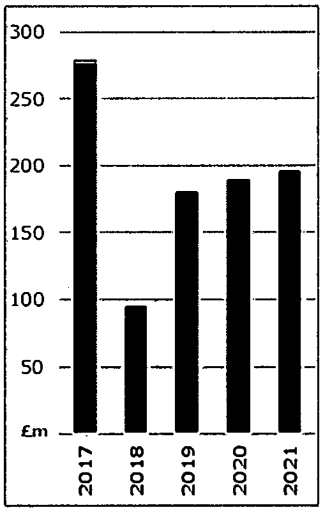
At any point in time, the Group holds contracts for sale of private, affordable and commercial units that are not yet complete. This statistic is the aggregate value of those contracts.

Strategy

This statistic provides visibility of the certainty of revenue in the future. Accordingly, London Square aims to maximise this position without compromising on the overall profitability of the revenue contracted.

Performance

As per the strategic intent of the Group, improving the stability of the business through the Partners business is reflected in the Forward Sales. As at 31 March 2021 the Forward Sales position was £195.4m compared to £189.9m at 31 March 2020. The composition of the forward sales has moved toward partnership-led business with 52% of the total being Affordable Revenue. Particularly significant this year is that £115.5m of these Forward Sales are expected to be realised in the forthcoming financial year.



Operating Profit Margin

Definition

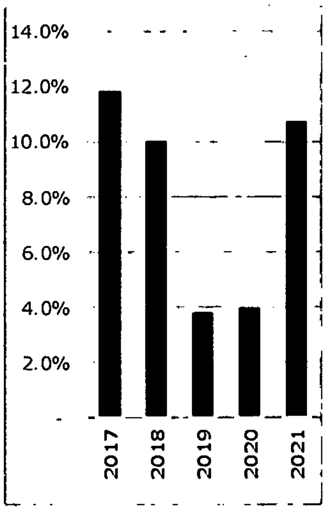
Statutory reported Operating Profit divided by Revenue provides the Operating Margin.

Strategy

To address this Key Performance Indicator the Directors have initiated a number of internal cost management strategies in order to improve results. The principal involves achieving earlier cost certainty on new projects. Initial signs have been positive on the cost saving initiatives although by the nature of the projects it will take a number of years before they are realised as profit.

Performance

The Operating Profit Margin increased to 10.7% (2020: 4.0%). Despite the impact of COVID-19 putting pressure on margins, the impact of the strategic initiatives is having a positive effect and the margins are returning to more profitable levels.



Return on Capital Employed

Definition

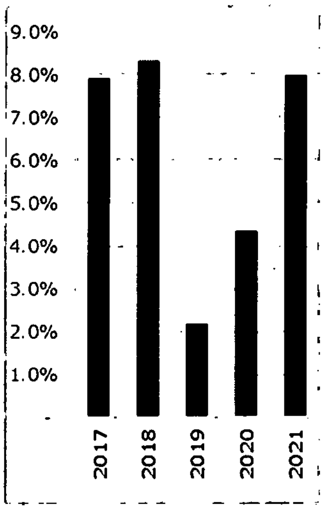
The Return on Capital Employed is calculated by dividing the Operating Profit for the year by the average Gross Tangible Assets.

Strategy

London Square maintain a policy of maximising the Return on Capital Employed over the long term. This encourages short term investment cycles to ensure the longevity of the business.

Performance

Consistent with the changes in Operating Profit the Return on Capital Employed has improved over the same period from 4.3% to 8.0%.



Tangible Net Asset Value

Definition

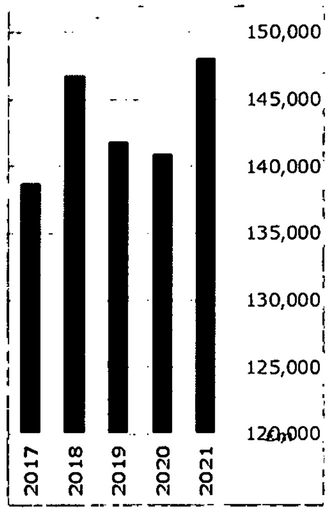
Statutory net asset value as reported, excluding deferred tax balances and intangible assets and after adding back shareholder balances classified as financial liabilities.

Strategy

Tangible Net Asset Value is the key statistic measuring the growth of the Group and London Square aim to show continual growth over the medium to long term.

Performance

The Tangible Net Asset Value of the Group was £148.0m as at 31 March 2021, a 5.1% growth compared with the position reported 12 months earlier of £140.8m.



Gross Tangible Assets

Definition

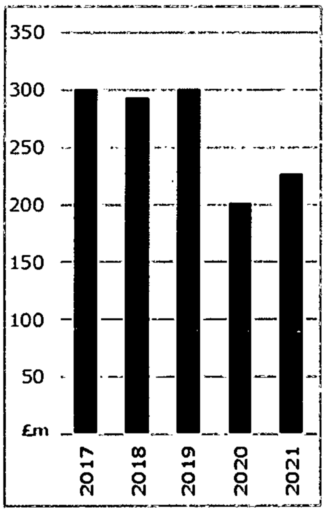
London Square calculates Gross Tangible Assets as its Tangible Net Asset Value plus Net Debt, being total bank debt less cash.

Strategy

An indicator of the underlying growth potential of the Group, London Square has been cautious in land investment over recent years given recent economic factors. This cautiousness remains but the Group is seeking to grow this indicator over the medium term.

Performance

The level of higher investment in the year ended 31 March 2021 and the trading activity resulting in the Group's Gross Tangible Assets increasing to £226.3m (2020: £202.8m), a 12.8% growth year on year.



Net Gearing

Definition

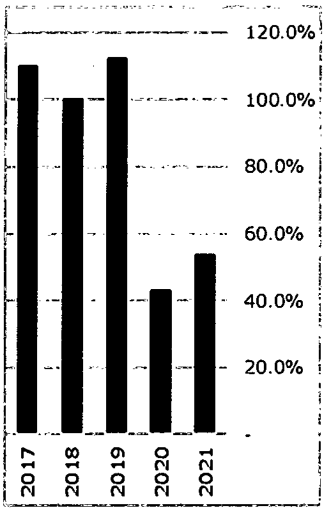
London Square calculates the Net Gearing performance indicator as the Net Debt, being total bank debt less cash, divided by Tangible Net Assets.

Strategy

During the period of growth, the Group had adopted a strategy of maximising the Net Gearing. More recently, the strategy has been to reduce the gearing but maintain a balanced approach going forward.

Performance

The level of Net Gearing was of 53% as at 31 March 2021 (2020: 43%) showing a stabilisation in debt levels.



Land Bank

Definition

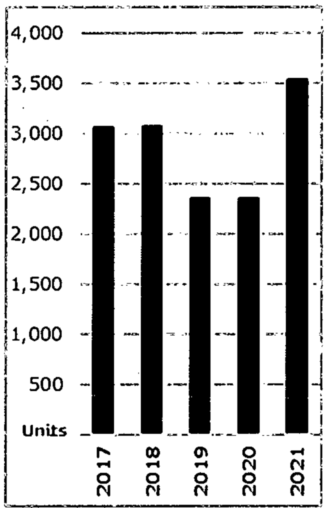
Land Bank represents the number of residential units the Group has control over the delivery through contractual arrangements or ownership.

Strategy

The Group aims to maintain a level of Land Bank to support the ongoing activity of the business. This is dependent upon the availability of suitable land for purchase.

Performance

The year ended 31 March 2021 saw the Group invest in its land pipeline growing from 2,353 units at 31 March 2020 to 3,543 at 31 March 2021, which continues to underpin the revenue and profit for the next 5 years.



PRINCIPAL RISKS

As with many businesses, London Square faces risks and uncertainties in the course of day-to-day activities and it is only by effectively identifying and managing these risks that the Group can deliver the strategy.

To manage these risks the Group maintains a risk management policy that regularly reports on and monitors the risks at all levels. The principal risks identified by this process can be summarised as follows:

Economic Climate – the housing market is dependent upon the overall economic climate with interest rates, exchange rates, attitudes to investment and consumer confidence impacting all aspects of cost base, revenue and profitability of the Group.

At the year end the uncertainty around the economic climate was lifted as the impact of COVID-19 pandemic response of lockdown, vaccination and stimulus packages were having positive impacts. The trade agreement with the EU appears to have settled although some uncertainty still exists around the Northern Ireland Protocol. As such, recent trends have shown an increase in consumer activity resulting in increased demand for our product.

The Group's approach to the risk proposed by the economic climate is to seek an appropriately balanced portfolio between fixed forward sold revenue and pressures of cost inflation. As such the Group seeks to secure forward sales and purchase contracts with the intention of reducing the exposure to adverse fluctuations but aims to keep sufficient variable revenue to take advantage of market improvements. Meanwhile, management of costs through advanced design works and fixed price contracts are secured wherever possible.

COVID-19 Pandemic – the current pandemic and corresponding social distancing measures have resulted in a different way of working and doing business. Whilst we have adapted to the current modus operandi appropriately, the risk of a new wave of infections remains. Although mitigated by the government's vaccination regime, the Group is maintaining a readiness to adopt lockdown procedures and again preserve the assets and trading of the business.

Political Uncertainty – the market in which London Square operates is dependent upon consumer confidence which in recent years has been significantly dampened by the political uncertainty that has followed since the referendum on the UK membership of the European Union and more recently by the impact of the COVID-19 pandemic. However, recent signs have been positive and a relatively stable government with an indication that there is support for the sector as a whole has been beneficial. The financial impacts of any new 'Developer Tax' or changes to the ability for foreign investors to hold UK assets need to be carefully observed.

Credit Availability – one of the greatest risks to the housing market in London is the availability of credit to London Square customers in order to assist with funding the purchase of the product. Of particular risk is the current level of affordability which is sensitive to interest rate and credit spread increases. To counter this risk the Group is increasing its reliance on partnerships, particularly in the affordable sector.

Capital Availability – London Square is dependent upon the provision of capital from the current lending group to continue in operation. This support is particularly acute during the uncertain times presented by the COVID-19 pandemic. The directors are in regular dialogue with the lending group to ensure continued support and are regularly reviewing the capital structure and adequacy of facilities as well as exploring opportunities in the market to diversify the capital base.

Land Availability – the long-term performance of the Group is dependent upon the purchase of suitable land sites for development at acceptable levels to allow for the profitable operation of London Square. Accordingly, management are constantly assessing a number of land opportunities at any one time in order to ensure a regular supply.

Planning and Regulatory Environment – future developments are dependent upon a supportive planning regime and constant regulatory environment. The Group works with lobby groups and industry bodies to stay abreast of impending changes to minimise the impact.

Employee Availability – the overall performance of the Group is dependent upon the Group being able to attract and maintain suitable quality staff to fulfil the roles and responsibilities. London Square takes great pride in its staff and ensures that we provide market leading conditions to work under as well as regular training and development courses from apprenticeship level to senior management levels.

Health, Safety and Environmental Procedures – A deterioration in the Group's health, safety and environmental standards could put the Group's employees, contractors, customers or general public at risk of injury or death and could lead to litigation or penalties or damage the Group's reputation. A lack of adequate procedures and systems to reduce the dangers inherent in the construction process increases the risk of accidents or site related catastrophes. London Square maintain a system of quality control, regularly reported to the Board and audited by external parties using an Occupational Health and Safety Management System (registered as ISO 18001) and also an Environmental Management System (registered to ISO 14001).

Cyber and Data Risk – London Square places significant reliance upon the availability, accuracy and security of our underlying operating systems and the data contained therein. The Group could suffer significant financial and reputational damage because of corruption, loss or theft of data whether inadvertent or via deliberate targeted cyber-attack. The Group has in the past year upgraded all security systems and successfully deterred a number of attacks against the Group as well as maintaining full off site back up.

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

GOVERNANCE

OVERVIEW

The Board is committed to a strong ethical corporate culture and ensuring the culture within the business is consistent with our strategic objectives and business model. The Board achieves this by:

- encouraging diversity, inclusion and equal opportunities for all employees;
- investment in training and development;
- regular communication with employees; and
- appropriate induction for new employees.

The Board monitors and assesses the culture in the business through an externally managed employee engagement survey that was carried out during the period. The results of this survey are reviewed by the Board to identify areas of focus – either to maintain and improve on strengths or to develop actions and initiatives to address any areas of concern. More details can be found in the Social and Environmental Review.

The Board is responsible for the Group's strategy and its overall management. Through entrepreneurial leadership and a flexible business model, the Board is able to promote long-term growth and value for shareholders.

A schedule of regular business, financial and operational matters is maintained to ensure that all matters that the Board and its committees have responsibility for are addressed and reviewed during the year. Certain matters are reserved for approval by the Board. These include:

- Strategy and business plan approval
- Changes in share capital and dividends
- Board membership and Committees and delegation of authority
- Remuneration and employment benefits
- Corporate statutory reporting
- Appointment of auditors
- Major capital and revenue commitments including land acquisitions
- Corporate governance, policy approval, internal control and risk management
- Corporate social responsibilities

The Board has ultimate responsibility for the Group's system of internal control, but responsibility for monitoring and ensuring the ongoing effectiveness of this framework is delegated to the Audit Committee. Further details can be found in the Audit Committee Report. The principal risks faced by the business are set out in the Principal Risk section.

The Executive Directors are responsible for business operations and for ensuring that the necessary financial and human resources are in place to carry out the Group's strategic aims. The Non-executive Directors' role is to provide an independent view of the Group's business and to constructively challenge management and help develop proposals on strategy. The Board as a whole reviews all strategic issues and key strategic decisions. Control over the performance of the Group is maintained through evaluation of financial information, the monitoring of performance against key budgetary targets and by monitoring the return on strategic investments.

The operation of the Board is broken down into two principal groups, the Main Board and the Management Board. Main Board meetings include the participation of shareholder representatives, non-executive directors, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. The Management Board consists of all the directors as well as key operational management positions. The same matters and papers are considered by both boards with the Main Board taking into consideration the input of the shareholders to be considered in more detail by the Management Board. This improves the communication between shareholders and the directors.

A formal Board Pack is produced each month and submitted to all Board members prior to the date of the Board meeting. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer along with each department head will produce a report summarising the events of the month for their department and providing updates on ongoing items. This report is provided to the Main Board and includes standing items such as Health and Safety and Customer Care reports. During the year the Main Board met 9 (2020: 10) times and the Management Board met 11 times (2020: 11). Attendance of each member is shown below:

	Position	Main Board	Remuneration Committee	Audit Committee
Mark Pain	Independent Chair	8	1	1
Adam Lawrence	Chief Executive Officer	9	-	-
Mark Evans	Chief Operating Officer	9	-	-
Scott Brown	Chief financial Officer	9	-	1
Stephen Casey	Independent Non-Executive	9	1	1
Investor Representative		9	1	1

The Board considers that our Non-executive Directors remain independent. The independence of our Non-executive Directors is reviewed to confirm they remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement.

Mark Pain and Stephen Casey have served the company as Non-executive Directors since 2011. The Board is satisfied that the directors continue to exhibit independence of character and judgement. In the Board's opinion, both Mark and Stephen have continued to demonstrate strong commitment to their roles and to exercise their judgement in an effective and independent manner. They also do not have any association with management that might compromise their independence.

Accordingly, the Board considers them to be independent Non-executive Directors of the Company.

MAIN BOARD MEMBERS

ADAM LAWRENCE - Chief Executive - Adam founded London Square in 2010 and remains the driving force behind the continued success of the company. Prior to founding London Square, Adam had a 15-year career at Barratt Developments, where he rose from Sales Manager to Regional Chairman, he oversaw the creation of around 3,000 new homes each year with sales of almost £800 million per annum.

MARK PAIN - Non-Executive Chairman - Formerly CFO of Barratt Developments Plc and Deputy Chairman and Senior Independent Director of Yorkshire Building Society. Group Board Director at Santander, Mark's experience spans the property, finance and consumer sectors. Mark is Chairman of Empiric Student Property Plc, a Non-Executive Director of AXA UK Ltd and more recently a Non-Executive Director and Senior Independent Director at Close Brothers Group Plc.

STEPHEN CASEY - Non-Executive Director - Having spent a career-defining 40 years with Fairview New Homes PLC, Stephen is a doyen of the property industry and one of its most respected figures. Progressing through sales to become Managing Director in 1997, he served as Executive Chairman from April 2009 until his retirement in 2010.

MARK EVANS - Chief Operating Officer - Responsible for the development and implementation of future strategy for all areas of production, delivery and sales. With more than 25 years' experience in the property industry, Mark began his career as a quantity surveyor. He progressed to partner and director level roles at Turner & Townsend and Berkeley Homes, then joined Shanly Homes as a regional MD in 2006 before becoming Residential Managing Director.

SCOTT BROWN - Chief Financial Officer - Responsible for all aspects of financial governance of the Group for over 7 years. Scott has an outstanding track record. In his 20+-year career he has worked at board level of listed and private companies across industries including technology, healthcare and financial services and managed all manner of debt and equity transactions.

S172 STATEMENT

In accordance with s172 of the Companies Act, the Board recognise that the directors need to act at all times, in good faith and to promote the success of the Group for the benefit of its stakeholders as a whole. In doing so they need to consider, amongst other things:

- The likely consequences of any decision in the long term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with suppliers, customers and others;
- The sustainability of the Group's operations and its impact on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business; and
- The need to act fairly between members of the Group.

Further details of how the directors have generally engaged with and taken into consideration, the interests of those stakeholders who are material to the long-term success of the business are contained in the various sections of the Strategic and Directors Report. Specific examples of engagement are as set out below.

Investors	
Engagement	*Outcome of engagement*
Monthly Board Meetings	
A formal Board Pack is produced each month and submitted to all Board members prior to the date of the Board meeting. The CEO, CFO, COO along with each department head will produce a report summarising the events of the month for their department and providing updates on ongoing items.	The Board has the responsibility for establishing and reviewing the long-term strategic objectives and policies of the Group. The Board is collectively responsible for the success of the business, the executive directors are directly responsible for running the business operations and the non-executive directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board.
As indicated in the Overview section on Governance, Investors regularly participate in the board meetings.	
Employees	
Engagement	*Outcome of engagement*
Health, safety and wellbeing	
Throughout the past year the Bord have been running a COVID-19 Action Plan that was focussed upon responding to the pandemic and ensuring the safety of our staff, customers and subcontractors.	The Group responded very quickly to a new way of working by maintaining social distancing throughout the year and ensuring interactions were kept to a minimum.
The health and safety of our employees, along with our suppliers, sub-contractors and customers visiting our show rooms, is a priority for the Group.	The Health and Safety manual is published on the Company intranet and updated annually to ensure all stakeholders within the Group adhere to health and safety guidance to create a safe work environment.
The Health and Safety Manager regularly visits sites on a rotational basis to talk to employees and contractors and obtain feedback on the effectiveness of the health and safety environment.	Feedback received from sites visits are reported to the Construction Director and measured against industry standards set by the Health & Safety Executive. The Health & Safety Report is a standing section in the Board Pack. *Any shortfall in meeting our health and safety obligations* is addressed to ensure compliance with current regulations.
Internal communication	
The Group provides regular updates to employees to ensure they are kept informed of developments via Square Times publications on the Company's intranet. In addition, we hold an annual Company Briefing at an offsite location. This was replaced in 2020 by a more frequent State of the Nation address via Microsoft Teams, due to COVID-19 restrictions.	We continue to monitor the effectiveness of our communications through an informal feedback loop. Our 'Work life in Lockdown' survey told us that 87% of employees felt that 'Communication has been good; "I feel I am part of a team and have understood what we are doing and why we are doing it, throughout the lockdown period"'.
Performance Reviews	
The Company's annual employee appraisal process has evolved, with feedback from employees who wanted an informal mid-year meeting.	This feedback resulted in an Employee Appraisal Process known as a Café Meeting. These happen occur annually, with an informal half yearly review. Café Meetings are used to monitor and manage employee performance, set goals and identify development opportunities, they are however not part of a formal performance management system.
We remain committed to fair and ethical employment practices and are proud of our industry-leading reward package.	This year saw a complete review of our benefits with some exciting new schemes added to the portfolio, including an electric car leasing scheme

Equal Opportunities The Group is committed to providing equality of opportunity to all employees and stakeholders, regardless of any protected characteristics that may exist. We firmly believe our people are our greatest asset and our team is built upon a strong foundation of talent.	See Social and Environmental Review Director's Report - Equal Opportunities Employer
Engagement survey London Square understands that it is our employees that make us who we are and through strong engagement with their needs we can improve the performance and sustainability of the Group as a whole.	See Social and Environmental Review Director's Report - Employees Engagement
In 2021 we continued the employment engagement surveys which we have implemented in previous years	The result of these surveys was that 96% (2020: 87%) of our staff are engaged, an improvement of 9%, against a background of social distancing requirements and new working practices
"Work life in lockdown" We asked all employees to complete a 'Work life in Lockdown' survey in May 2020, in order to gain a general understanding of our employees' health and wellbeing in lockdown. As well as understanding how well the Company is communicating, whether we are providing the right tools and equipment and the teams thoughts on returning to work in the future.	Our employees told us they would like to return to work post COVID-19 to a new working pattern that splits their time between the office and home. As a result, we have introduced a Hybrid Working Policy. The full results of this survey can be found within the Social and Environmental Report under Employees Engagement.
Customers *Engagement*	*Outcome of engagement*
Customer events The sales and marketing team play an active part in the community. Regular events are organised to ensure potential new customers and local residents are made aware of new developments and the positive impact this will have on the local community.	Historically the feedback from attendees of these events has been positive. London Square continues to organise events for all new developments, ensuring key stakeholders are invited, including the local Mayor.
Customer feedback After the completion of a residential sale, buyers are requested to take part in a survey conducted by an independent research company, In-house Research. Inhouse Research asks buyers to answer a list of questions in relation to their interaction with buying a home from London Square.	As a result of customer feedback during 2020, London Square has received 99% positive feedback and has been the winner of both the Gold Award for Customer Satisfaction in 2020 and 2021 and Outstanding Achievement for Customer Satisfaction in 2021 across all sites
Customer care and satisfaction London Square endeavours to make the buyers experience a pleasant one and engages with its customers throughout the purchase process. Two weeks prior to completion the Customer Care team will contact the buyer to book a home demonstration. This is the first point of contact with customers which is subsequently followed by a key handover. Inhouse Research asks buyers to answer a list of questions in relation to their interaction with buying a home from London Square.	Feedback received from Inhouse Research is used by the Customer Care Manager to refine internal policies, processes and procedures on an ongoing basis.
Suppliers, Sub-contractors and Others *Engagement*	*Outcome of engagement*
Supplier relations We continue to communicate with our supply chain regarding the issues that matter most. The Group is committed to eradicating Modern Slavery in all of its forms. We have also applied to join the Supply Chain Sustainability School as a delivery partner, supporting our ongoing commitment to sustainability standards.	Ongoing discussions with suppliers have led to mutually beneficial arrangements to improving costs and consistency of material supplies. We endeavour to pay all our suppliers within fair credit terms and our nett payment terms for the year ended 31 March 2021 was 30 days (2020: 30).
Lenders The directors are in regular dialogue with the lenders and the lenders have expressed their continued support for the business.	This results in a fluid but stable capital base upon which the Group can draw. Accordingly, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and so continue to prepare these financial statements on the going concern basis.

Community and the Environment

Engagement	*Outcome of engagement*
Regulators The Group take their regulatory responsibilities seriously. The Board is committed to ensuring that it is open and transparent with regulators. The Group works with lobby groups and industry bodies to stay abreast of impending changes to minimise the impact.	See Principal Risks - Health, Safety and Environmental Procedures on how we maintain a safe environment for our employees, contractors and visitors to our sites.
Local authorities We work closely with local authorities to ensure that our developments meet the relevant planning requirements to provide safe homes and a safe environment in which to live.	See Principal Risks - Planning and Regulatory Environmental Procedures on how we meet the requirements of the community.
Partnerships Our strategic initiative into Partnering with public sector organisations was launched in 2017 and has been met with considerable success to date.	The Group works with housing associations to provide affordable homes within the local authority to ensure the needs of the customer base are met. See CEO Report - Partners.
Corporate Social Responsibility Housebuilding by its very nature is at the heart of local life. We believe that, as a residential developer, we have a responsibility to the people who live in the communities we build in. This goes beyond our own customers, to the charities, organisations and individuals with whom we work in partnership.	People are at the heart of what makes a place, and we seek to create opportunities that strengthen and add value to our neighbourhoods in a post Covid-19 world. Over the past year we have been supporting local community groups and events, as well as recognising and supporting community champions that play a pivotal role in shaping facilities and services. See Social and Environmental Review.
Recycling As part of the overall strategy to provide a sustainable impact on the environment the fundamental design of our schemes takes into account the local and global considerations for the environment.	The Group works with our main subcontractors and local recycling companies to recycle waste materials. See Social and Environmental Review
Ecology Part of the initial planning process involves engaging professional ecologists who survey the area around the planned development.	The Company adheres to the recommendations from the ecologist's report to protect the local flora and fauna and we have a target to increase the biodiversity on every scheme. See Social and Environmental Review
Charities The Group supports a number of local and national charities.	See Director's report - Charitable Donations
The Group does not make donations to political parties, organisations or their representatives.	See Director's report - Charitable Donations

AUDIT COMMITTEE

The Audit Committee is a sub-committee of the Main Board consisting of the non-executive directors and a shareholder representative. The committee met once (2020: 1) during the year.

The Audit Committee is a sub-committee of the Main Board, responsible for ensuring the financial performance of the Group is properly measured and reported on. Its role includes monitoring the integrity of the financial statements, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and meeting with external auditors without the Executive Directors and management present.

Membership

The Committee consists of the following independent Non-executive Directors: Mark Pain (as Chairman), Stephen Casey and a shareholder representative. Other members of the Board or management may attend Committee meetings by invitation if required. We ensure Committee members have the skills and knowledge relevant to the remit of the Committee as well as the personal attributes to enable us to work with management and external auditors and to challenge matters if needed.

Role of the external auditor

The Audit Committee monitors the relationship with the external auditor, EY, to ensure we maintain auditor independence and objectivity. As part of its review, the Committee monitors the provision of non-audit services by the external auditor. The breakdown of fees between audit and non-audit services is provided in Note 3 of the Notes to the Financial Statements. Having reviewed the auditor's independence and performance, the Committee recommends EY be reappointed as the Group's auditor.

Internal controls and risk

The Group continually reviews its controls framework to ensure adherence to best practice, while also having regard to its size and the resources available.

The principal elements of the Group's internal control system include:

- close management of the day-to-day activities of the Group by the Executive Directors;
- an organisational structure with defined levels of responsibility and approvals, which promotes entrepreneurial decision-making and implementation, while mitigating risks;
- segregation of duties so no individual can have undue influence or control over an activity, process or transaction;
- central control over key areas such as authorising capital expenditure and banking facilities; and
- the formal risk framework agreed by the Board.

Whistleblowing

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Audit Committee reviewed the policy during the year and was satisfied that it was fit for purpose.

This report was approved by the Board on 22 July 2021 and is signed on its behalf by:

Mark Pain - Chairman of the Audit Committee

REMUNERATION COMMITTEE

The Remuneration Committee is a sub-committee of the Main Board consisting of the non-executive directors and a shareholder representative. The committee reviews the performance of the directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment.

The Remuneration Committee also makes recommendations to the Board on proposals for granting shares, share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time.

The Remuneration Committee has access to information provided by the directors of London Square and independent advice from external consultants, where it considers this to be appropriate.

This report sets out the remuneration paid to the Directors for the 12-month period ended 31 March 2021 and the remuneration policy for the forthcoming financial year and beyond.

Membership and attendance

The Board has established a Remuneration Committee which currently consists of Mark Pain (Chairman), Steven Casey and a shareholder representative. The Remuneration Committee met formally once during the year (2020: 2) with full attendance.

Policy for directors' remuneration

The policy for directors' remuneration is designed to attract, motivate and retain high-calibre individuals with a competitive remuneration package. The remuneration policy considers the overall performance of the Group and the individual directors and the prevailing pay structures in the markets in which London Square operates.

The directors' remuneration is designed to provide a balance between fixed and variable rewards, although it is recognised that it is common industry practice for total remuneration to be significantly influenced by annual bonuses and long-term incentive plans.

Consequently, remuneration packages for individual directors comprise a basic salary, bonus plan, a long-term incentive plan and benefits in kind. In agreeing the basic salary and annual bonuses, in addition to the factors outlined above, the Remuneration Committee considers the aggregate remuneration to be received by the individual director.

In 2020 the Remuneration Committee proposed to the Board and the Board agreed to restructure the long-term incentive plan for the Company's directors. These were designed to incentivise the directors to grow the business and maximise returns to shareholders.

Although this scheme did not have a direct impact on the shareholding in this Company, the directors' interest in the Preference Capital and Ordinary Share Capital of the holding company was restructured during the year. In addition, some interest and accumulated preference dividends in favour of the shareholders that were unpaid at the beginning of the year were forgiven.

Basic salary

The basic salaries of the directors are reviewed on an annual basis. The Remuneration Committee seeks to establish a basic salary for each position commensurate with the individual's responsibilities and performance, considering comparable salaries for similar companies of a similar size in the same market.

Bonus Plan

The Bonus Plan allows, at the Boards' discretion, for the directors to receive a percentage of Operating Profit reported each year up to a certain cap. The Operating Profit is derived from the reported annual results each year subject to pre-agreed adjustments.

Management Incentive Plan

The incentivisation of directors is matched to that of shareholders by virtue of the directors holding equity and preference capital in the holding structure of the Group. In April 2020 the existing Management Incentive Plan was restructured to realign the management's interests with investors so that all parties are incentivised to grow the business. This was achieved, firstly, by the forgoing of interest due on the long-term loan notes and preference share capital by the investors and directors which shifted value towards the share capital held by the management. Secondly, the share capital in the holding entity was simplified to maintain the exact same rights and level of shareholding prior to the restructuring. By virtue of these holdings the directors have the following indirect interest in the Group aligning them with shareholders.

- Ordinary Shares – 34.4%
- Ratchet Shares – 100%
- Preference Capital - £6,815,789

Other benefits

Depending on the exact terms of each individual Executive Director's service contract with the Company, they are entitled to a range of benefits, including a car allowance, contributions to pension schemes, private fuel, private health care insurance, permanent health insurance and death in service insurance.

Service contracts and notice periods

Each of the Executive Directors are employed on rolling contracts subject to one year's notice from either the Company or the Executive Director and contain confidentiality provisions and restrictive covenants for the Company's protection.

The Executive Directors' service contracts do not provide specifically for any termination payments, although the Company might make payments in lieu of notice. For this purpose, such payments would consist of basic salary and other benefits for the relevant period and, depending on the circumstances, any awards due.

Non-executive Directors

The Group currently has two Non-executive Directors: Mark Pain, the Chairman and Head of the Audit Committee and Remuneration Committee and Stephen Casey, who also sits on the sub-committees

The Non-executive Directors have letters of appointment, which initially are for a three-year period and thereafter may be terminated on three months' notice from either the Company or the individual. The appointment letters contain confidentiality provisions for the Company's benefit.

The Non-executive Directors' letters of appointment do not provide specifically for any termination payments, although the Company might make payments in lieu of notice.

Non-executive Directors' fees are determined by the Executive Directors, having regard to the requirement to attract high-calibre individuals with the right experience, the time requirements, and the responsibilities incumbent on an individual acting as a Non-executive

Director for a company. The Non-executive Directors are not eligible for annual discretionary bonuses.

This report was approved by the Board on 7th July 2021 and is signed on its behalf by:

M.A.P.

Mark Pain - Chairman of the Remuneration Committee

SOCIAL AND ENVIRONMENTAL REVIEW

As part of our ongoing commitment to sustainability, the year has seen the development our of new sustainability dashboard, showcasing our commitment to continuous improvement, through measurable targets.

This initiative has resulted in the appointment of a Human Resources and Sustainability Manager and Social Sustainability and Community Manager. Two roles with the specific responsibility to integrate and coordinate the sustainable targets set by the Board into the procedures, processes and efforts already employed across the Group.

HEALTH AND SAFETY

The health and safety of our employees, along with our suppliers, sub-contractors and members of the public, is paramount to the Group. Our processes and procedures in a normal year include the regular measurement and reporting at Board level of all health and safety matters. The Health and Safety manual is published on the Company intranet and updated annually to ensure all stakeholders within the company adhere to health and safety guidance creating a safe work environment.

The Health and Safety Manager makes regular visits to sites on a rotational basis to talk to employees and contractors and obtain feedback on the effectiveness of the health and safety environment. Feedback received from sites visits is reported to the Construction Director and measured against industry standards set by the Health & Safety Executive. Any shortfall in meeting our health and safety obligations is addressed to ensure compliance with current regulations.

This year, however, was not a normal year. The COVID-19 pandemic impacted the Group from March 2020 and the Board immediately implemented additional health and safety procedures via a COVID-19 action plan. The Group put health and safety first, by implementing additional social distancing measures above those outlined in government guidelines. These measures included:

- closing all sites and only re-opening when social distancing could be achieved;
- shift working to limit the size of work bubbles and therefore infection rates;
- *weekly staff testing and isolation of groups associated with positive tests; and*
- regular sterilising of offices.

The consequence of this was that only 16% of our staff reported a positive infection during the year, with no fatalities or long COVID cases.

As part of the normal reporting procedures for the Group, and the directors regularly monitor the Company's health and safety record and adhere to the requirements of the Health and Safety at Work Act 1974. In the year ended 31 March 2021 we achieved an Accident Frequency Rate of 0.77%. This is calculated by taking the number of RIDDOR Reportable accidents as a factor of the hours worked. The Group strives to achieve zero accidents, however a reduction to below 0.5% is an achievable target set by the Board for the forthcoming year.

All sites are regularly inspected by our health and safety manager who assesses a score for each site. These scores are reported to the Board monthly and issues raised as a result of the assessment are discussed. During the year ended 31 March 2021 the projects maintained an average score of 94.4% (2020: 94.0%) in the Health and Safety Management System.

The Group maintains ISO accreditation for operating an Occupational Health and Safety Management System (registered as ISO 18001).

CUSTOMER ENGAGEMENT

The sales and marketing team play an active part in the community. Regular events are organised to ensure potential new customers and local residents are made aware of new developments and the positive impact this will have on the local community. Historically the feedback from attendees of these events has been positive. London Square continues to organise events for all new developments, ensuring key stakeholders are invited, including the local Mayor.

London Square endeavours to make the buyers experience a pleasant one and engages with its customers throughout the purchase process. Two weeks prior to completion the Customer Care team will contact the buyer to book a home demonstration. This is the first point of contact with customers which is subsequently followed by a key handover. Inhouse Research asks buyers to answer a list of questions in relation to their interaction with buying a home from London Square. Feedback received from Inhouse Research is used by the Customer Care Manager to refine internal policies, processes and procedures on an ongoing basis.

After the completion of a residential sale, buyers are requested to take part in a survey conducted by an independent research company, Inhouse Research. Inhouse Research asks buyers to answer a list of questions in relation to their interaction with buying a home from London Square. As a result of customer feedback during 2020, London Square has received 99% positive feedback and has been awarded the 2020 Gold award for customer satisfaction.

EMPLOYEES

Employee Engagement

London Square understands that it is our employees that make us who we are and through strong engagement with their needs we can improve the performance and sustainability of the Group as a whole.
Accordingly, we regularly carry out engagement surveys to score our progress and gain feedback from our employees on how we should adapt.

In 2021 we continued the engagement surveys and are proud to say that 96% (2020: 87%) of our staff are engaged, an improvement of 9%, against a background of social distancing requirements and new working practices. We are extremely proud of our loyal and committed employees, all of whom went above and beyond to deliver for the Company, in what has been our most challenging year yet.

We asked all employees to complete a 'Work life in Lockdown' survey in May, in order to gain a general understanding of our employees' health and wellbeing in lockdown. As well as understanding how well the Company is communicating, whether we are providing the right tools and equipment and the teams thoughts on returning to work in the future.

The results from our surveys have told us we need to work on inter-departmental teamwork and communications, so we have continued to invest in our iSquare and iQ SharePoint platforms. In addition, we have developed two new Management and Leadership programmes, with support from the CITB, in response to the demand for more learning and development opportunities. Delivery of the Leadership programme was completed in February, with 24 senior leaders graduating from the course. Delivery of the Management programme started in April 2021.

In the Work life in lockdown survey our employees told us they would like to return to work post COVID-19, to a new working pattern that splits their time between the office and home. As a result, we have introduced a Hybrid Working Policy.

The Group provides regular updates to employees to ensure they are kept informed of developments via Square Times publications on the Company's intranet. In addition, we hold an annual Company Briefing at an offsite location. This has been replaced in 2020 by a more frequent State of the Nation address via Microsoft Teams, due to COVID-19 restrictions. We continue to monitor the effectiveness of our communications through an informal feedback loop. Our 'Work life in Lockdown' survey told us that 87% of employees felt that

'Communication has been good; I feel I am part of a team and have understood what we are doing and why we are doing it, throughout the lockdown period'.

The Company's annual employee appraisal process has evolved, with feedback from employees who wanted an informal mid-year meeting. This feedback resulted in an Employee Appraisal Process known as a Café Meeting. These happen annually, with an informal half yearly review. Café Meetings are used to monitor and manage employee performance, set goals and identify development opportunities, they are, however, not part of a formal performance management system.

We remain committed to fair and ethical employment practices and are proud of our industry-leading reward package. This year saw a complete review of our benefits with some exciting new schemes added to the portfolio, including an electric car leasing scheme. As a result, the Group has applied for certification as a Living Wage Employer and is working towards formal achievement of the GLA's Good Work Standard.

Equal Opportunities Employer

The Group is committed to providing equality of opportunity to all employees and stakeholders, regardless of any protected characteristics that may exist. We firmly believe our people are our greatest asset and our team is built upon a strong foundation of young talent.

Our diversity figures continue to be industry leading with 39% from Black, Asian and Minority Ethnic groups, 31% female, against the industry average of just 13.5%, as reported by the NHBC Foundations' primary research report on the gender and age profile of the house-building sector.

We continue to take a less traditional approach to talent and skills, avoiding an over-reliance on the ageing population. We are proud to be leading the way with 27.5% of our employees between the ages of 25-34 years of age, our highest age demographic, with the NHBC Foundation reporting the largest demographic in the industry being 45-54 years of age at 22% and 57% of our employees under the age of 45. Recruiting for talent and skill will continue to be at the forefront of our strategy, supported by alternative programmes to grow new talent and provide opportunities for all. We are proud to say, during the year ended 31 March 2021 we had four employees enrolled in National Apprenticeship Programmes and plan to grow this number organically. In the year we launched two new development programmes, bringing additional management and leadership skills to our already talented team.

SUPPLIERS

We continue to communicate with our supply chain regarding the issues that matter most. The Company is committed to eradicating Modern Slavery in all of its forms. We have also applied to join the Supply Chain Sustainability School as a delivery partner, supporting our ongoing commitment to sustainability standards.

Our ongoing discussions with suppliers have also led to mutually beneficial arrangements to improving costs and consistency of material supplies. We endeavour to pay all our suppliers within fair credit terms and our nett payment terms for the year ended 31 March 2021 was 30 days (2020: 30).

London Square regularly meets with its lenders providing them with updates. This results in a fluid but stable capital base upon which the Group can draw.

COMMUNITY

Housebuilding by its very nature is at the heart of local life. We believe that, as a residential developer, we have a responsibility to the people who live in the communities we build in. This goes beyond our own customers, to the charities, organisations and individuals with whom we work in partnership.

People really are at the heart of what makes a place, and we seek to create opportunities that strengthen and add value to our neighbourhoods in a post-Covid world. Over the past year we have been supporting local community groups and events, as well as recognising and supporting community champions that play a pivotal role in shaping facilities and services.

Our Social Sustainability and Community Manager brings focus and skills to the task of neighbourhood renewal, developing strong and cohesive communities by working with local groups to understand potential language and cultural barriers and explore opportunities to create projects that bring down such barriers.

Place-making is at the heart of our business and the provision of new homes is just the beginning. Beyond the physical regeneration, we are committed to social and economic regeneration enabling local people to prosper by supporting initiatives that will improve the life chances of our customers including helping them secure jobs and apprenticeships, furthering education and skills, and reducing food insecurity.

Earlier this year, we supported Love North Southwark and The Bridge community groups to apply for Co-op's food share and grant funding scheme to address important issues of food hunger and food waste. Throughout the pandemic, Love North Southwark has been providing a lifeline for local residents through weekly food parcel deliveries for the elderly and operating a food pantry for low-income families.

The Bridge is a community café and female only gym that aims to empower women to live positive healthy lives. At the start of the pandemic, they set-up the BOX-IT project to support individuals impacted by long-term mental and physical health problems, food hunger or those shielding. The café's resident nutritionist creates a healthy menu of recipes for beneficiaries and the BOX-IT team deliver a bag of fresh ingredients with preparation and cooking instructions to their doorstep which they can cook at home. We work closely with local authorities to ensure that our developments meet the relevant planning requirements to provide safe homes and a safe environment in which to live. The Group works with housing associations to provide affordable homes within the local authority to ensure the needs of the customer base are met.

As part of the initial development process, the Group engages with local residents by organising Town Hall meetings. Local residents are notified a few weeks prior to the meeting and encouraged to provide their feedback on the proposed plan forming part of their community. The occurrence of these Town Meetings has led to instances where local authorities and residents have made requests and suggestions resulting in a specific change to the planning of the development. Planning applications have changed resulting in zebra crossings being added to facilitate access to local parks, concerns by local residents around existing homes being overlooked by new developments, have been addressed and local authority requests to minimise carbon footprint have been addressed by, for instance, implementing energy saving photovoltaic windows in our developments.

ENVIRONMENT

As part of the overall strategy to provide a sustainable impact on the environment the fundamental design of our schemes takes into account the local and global considerations for the environment.

It is part of our policy and procedures to engage professional ecologists who survey the area around the planned development. The Company adheres to the recommendations from the ecologist's report to protect the local flora and fauna and we have a target to increase the biodiversity on every scheme. A target we are proud to say we have achieved on all our schemes. Some examples of how we have achieved this over the past year include:

- Orpington - The SINK was completed and the population of Great Crested Newt, a protected species, increased.
- Orpington - an area of Acid grass identified, which was maintained during the construction period and now forms part of the estate maintained.
- Greenwich – a habit for bats was identified that contained very little natural diversity. The scheme will enhance this with a green roof with bug hotels, together with bat and bird boxes located on the building, improving the habitat for the bats.
- Tadworth – scheme has been designed to create a natural corridor with kerbs specifically designed for fauna to move through the scheme to the nearby heath, in addition to new bird/bat boxes.

During the year there were no adverse environmental incidents reported.

Energy Efficiency

Also built into our scheme design is an objective to improve the overall efficiency of our product and the general community. This is achieved through the inclusion of electric-vehicle charging, cycle stores and paths and low-carbon heating systems.

All our schemes are measured under the European Union initiative of Energy Performance Certification which is designed to drive improvement in the energy and environmental efficiency across Europe. The Group maintains a target of building to a minimum level of Energy Efficiency rating of B and an Environmental Efficiency Rating of A. The precise result is dependent upon the nature of the scheme.

SECR Report

As part of our corporate responsibility, we aim to reduce our carbon footprint. This is our first year to report on our carbon emissions prepared by an independent evaluator and will set the benchmark against which we will design targets and report against in future years.

Overview

As part of the Streamlined Energy and Carbon Reporting (SECR) regulations, the Group is reporting its annual greenhouse gas emissions for the year ended 31 March 2021. This includes all emissions sources for scopes 1 and 2 plus scope 3 emissions.

The gross carbon emissions for the Group were 1,298 tonnes of carbon dioxide and equivalent gases (TCO_2e) which shows an improvement of 21% from the previous year. However, it should be noted that the year ended 31 March 2021 provides an abnormal representation of the Group's operational carbon footprint due to the closure of workplaces and reduced travel requirements imposed by the UK Government in response to the COVID-19 pandemic.

Methodology

The methodology used to calculate our emissions is based on financial control in accordance with the principles of ISO 14064 and the WRI/WBCSD GHG Reporting Protocols (revised edition). Utilising conversion factors for the period reported as issued by BEIS/DEFRA.

TCO_2e by Scope

Year Ended	31 March 2021	31 March 2020	Change
Scope 1 – Direct Emissions	693	581	19%
Scope 2 – Indirect Emissions	277	965	(71)%
Scope 3 – Other Indirect Emissions	329	89	270%
Total	**1,298**	**1,635**	**(21)%**
Intensity Ratio 1 - FTE	133	140	(5)%
Intensity Ratio 2 – Sqft Sold ('000)	274	473	(42)%
Intensity Ratio 3 – Turnover (£m)	£159	£272	(42)%

Intensity Ratios

	Current TCO_2e /IR	Previous TCO_2e /IR	Change
TCO_2e / FTE	9.76	11.68	(16)%
TCO_2e / Sqft Sold ('000)	4.74	3.46	37%
TCO_2e / Turnover (£m)	8.17	6.01	36%

The Group maintains ISO accreditation for operating a Quality Management System (registered to ISO 9001) and Environmental Management System (registered to ISO 14001).

Waste Recycling

The Group works with our main subcontractors and local recycling companies to recycle waste materials. During the year ended 31 March 2021, of 2,058 tonnes of waste from site, 99.42% was recycled.

DIRECTORS REPORT

The directors present their report and audited consolidated financial statements for the year ended 31 March 2021.

Dividends

No dividends were recommended, approved or paid during the year (2020: £nil).

Future Developments

The future developments of the Group are discussed in the Chief Executive's Report. Performance of the Group are susceptible to the principal risks identified in this report.

Directors

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

M A Pain
A P Lawrence
M S Evans
S D Brown
S C Casey
S S Hudson
R S Littler - resigned 3rd April 2020
A Maciejewski
M S Phillips
M C Smith

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 was in place throughout the year and remains in force as at the date of this report.

Disclosure of Information to Auditors

In the case of each director in office at the date the Directors' Report is approved:

- So far as the director is aware, there is no relevant audit information of which the Group and company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the Group and company's auditors are aware of that information.

Going Concern

The directors have conducted a rigorous assessment of the Group's ability to continue in operational existence for the period to 31 July 2022 (the going concern period). In making this assessment consideration has been given to the current trading performance along with the uncertainty inherent in future financial forecasts and, where applicable, severe but plausible sensitivities have been applied to key factors affecting the expected financial performance and liquidity of the Group. The assessment has considered stress tests to assess the Group's resilience to significant build delays, sales performance deterioration, cost increases and revenue reductions. In all stress tests the Group demonstrated that it could maintain good liquidity levels and full covenant compliance. The directors have also considered that should it be necessary there are a range of mitigating actions that can be taken in order to ensure continued liquidity and covenant compliance including the deferral of elective spend and the acceleration of receipts through sales initiatives.

As detailed in the Strategic Report, the Group has a comprehensive portfolio of projects and a strong forward sales orderbook underwriting its forecast cashflows which provides significant support for the conclusion that the Group is a going concern. Risk is also mitigated through the Group's land bank principally comprises land acquisition contracts conditional upon the receipt of satisfactory planning permission or in partnership with public sector organisations, providing protection from external political market risk. Furthermore, the land bank includes an average selling price, unit type and geographical mix that the directors consider leaves the Group well positioned. As detailed in the Strategic Report, the Group faces a number of political and economic uncertainties that could impact the achievement of forecast returns, due consideration has been given to these when assessing the going concern assumption.

Due to the current cycle of projects within the Group's portfolio, the Group held a cash balance of £34m and undrawn debt facilities of £87m as at 31 March 2021. The directors take significant comfort from the Group's financial health as it has sufficient liquidity to continue trading for the going concern period even under the severe stress test scenarios described above. The directors are in regular dialogue with the lenders and the lenders have expressed their continued support for the business

Accordingly, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period and so continue to prepare these financial statements on the going concern basis.

Employee Involvement

London Square understands that it is our employees that make us who we are and through strong engagement with their needs we can improve the performance and sustainability of the Group as a whole. Accordingly, we regularly carry out engagement surveys to score our progress and gain feedback from our employees on how we should adapt. Refer to the Social and Environmental Review for more information.

Equal Opportunities

The Group is committed to providing equality of opportunity to all employees and stakeholders, regardless of any protected characteristics that may exist. We firmly believe our people are our greatest asset and our team is built upon a strong foundation of young talent. Refer to the Social and Environmental Review for more information.

Corporate Social Responsibility

During the year, the Group launched its new commitment to sustainability. London Square has always held concern about the impact on the community and environment of all its activities but this year we have launched a programme to measure and enhance those activities to ensure we are providing the best sustainable value we can offer. Refer to the Social and Environmental Review for more information.

Customer Engagement

The sales and marketing team play an active part in the community. Regular events are organised to ensure potential new customers and local residents are made aware of new developments and the positive impact this will have on the local community. Historically the feedback from attendees of these events has been positive. London Square continues to organise events for all new developments, ensuring key stakeholders are invited, including the local Mayor. Refer to the Social and Environmental Review for more information.

Supplier Relations

The Group builds relationships with its suppliers and contractors and regularly communicates its current progress and any future development plans. Ongoing discussions with suppliers have led to mutually beneficial arrangements to improving costs and consistency of material supplies. Refer to the Social and Environmental Review for more information.

Charitable Donations

The Group supports a number of local and national charities. Donations to charitable organisations for the year were £20,000 (2020: £3,518). The Group does not make donations to political parties, organisations or their representatives.

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

In 2020 we have committed to support the charity St Mungo's in their endeavours to end homelessness and rebuild lives, by supporting their London Recovery College with materials, placement and employment opportunities.

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. Refer to the Social and Environmental Review for more information.

Health and Safety

The health and safety of our employees, along with our suppliers, sub-contractors and customers visiting our show rooms, is a priority for the Group. Our processes and procedures in a normal year include the regular measurement and reporting at Board level of all health and safety matters. The Health and Safety manual is published on the Company intranet and updated annually to ensure all stakeholders within the company adhere to health and safety guidance to create a safe work environment. Refer to the Social and Environmental Review for more information.

On behalf of the Board

Mark Pain - Chairman
22 July 2021

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and company financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 company and of the profit or loss of the Group for that period.

In preparing the 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. The directors are also responsible for safeguarding the assets of the Group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A P Lawrence - Chief Executive Officer
22 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON SQUARE LIMITED

Opinion

We have audited the financial statements of London Square Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group income statement, the group and parent company balance sheets, the group and parent company cash flow statements, the group and parent company statements of changes in equity and the related notes 1 to 23 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the going concern period, being the period to 31 July 2022, which is at least 12 *months from when the financial statements are authorised for issue.*

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and parent company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant those that relate to the reporting framework (Companies Act 2006 and International Financial Reporting Standards).
- We understood how London Square Limited is complying with those by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and papers provided to the Audit and Risk Committees and noted that there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility of fraud. We also considered performance targets and their influence on efforts made by management to manage Key Performance Indicators. Where this risk was considered higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify any non- compliance with laws and regulations, a review of the reporting to the Audit and Risk Committee on compliance with regulations, enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst + Young

Peter McIver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
22 July 2021

GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Revenue	2	158,761	272,417
Cost of sales		(124,981)	(245,485)
Gross profit		33,780	26,932
Selling costs		(5,316)	(9,123)
Administrative expenses		(11,870)	(13,529)
Other operating income		378	749
Share of operating profits of joint ventures	10	8	1,222
Reduction of provision for indemnity	17	-	4,575
Operating profit	3	16,980	10,826
Finance income			
- Group	6	41	80
- Joint venture	6	1	-
Finance costs			
- Group	7	(7,849)	(10,734)
- Joint venture	7	-	(97)
Profit before tax		9,173	75
Tax			
- Group	8	(3,949)	229
- Joint venture		(8)	(165)
Profit for the year		5,216	139

All amounts are attributable to the owners of London Square Limited and are derived from continuing operations in the United Kingdom.

The Group had no other comprehensive income other than the profit for the year reported above.

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Ordinary share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 April 2019	29,481	107,608	7,798	144,887
Profit for the year	-	-	139	139
At 31 March 2020	29,481	107,608	7,937	145,026
Profit for the year	-	-	5,216	5,216
At 31 March 2021	29,481	107,608	13,153	150,242

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021
GROUP BALANCE SHEET AS AT 31 MARCH 2021

	Note	31 Mar 2021 £'000	31 Mar 2020 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	2,022	2,507
Investments in joint ventures	10	32,724	12,138
Trade and other receivables	13	1,120	-
Deferred tax asset	8	2,228	3,559
Total non-current assets		38,094	18,204
Current assets			
Inventories	12	229,433	227,148
Trade and other receivables	13	21,415	38,080
Cash and cash equivalents	14	33,849	33,749
Total current assets		284,697	298,977
Total assets		322,791	317,181
LIABILITIES			
Current liabilities			
Borrowings	15	(111,667)	(94,514)
Trade and other payables	16	(50,809)	(69,981)
Provisions	17	(5,688)	(5,431)
Corporation tax payable		(2,618)	-
Total current liabilities		(170,782)	(169,926)
Net current assets		113,915	129,051
Non-current liabilities			
Trade and other payables	16	(1,767)	(2,229)
Total non-current liabilities		(1,767)	(2,229)
Total liabilities		(172,549)	(172,155)
Net assets		150,242	145,026
Capital and reserves			
Ordinary share capital	19	29,481	29,481
Share premium		107,608	107,608
Retained earnings		13,153	7,937
Total equity		150,242	145,026

The financial statements on pages 35 to 63 were approved and authorised for issue by the Board of Directors on 22 July 2021.

A P Lawrence - Director
22 July 2021

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Profit before tax	9,173	75
Adjustments for:		
Depreciation of property, plant and equipment	667	742
Provision for indemnity	-	(4,575)
Share of operating profit of joint ventures	(8)	(1,222)
Finance income	(41)	(80)
Finance costs	7,848	10,831
Decrease / (Increase) in trade and other receivables	15,545	(22,167)
(Increase) / Decrease in inventories	(2,285)	124,414
Decrease in trade and other payables	(19,377)	(149)
Tax paid	-	(2,714)
Net cash generated by operating activities	11,522	105,155
Cash flows from investing activities		
Purchase of property, plant and equipment	(182)	(30)
Distributions received from joint venture	150	1,162
Loan repayments and interest receipts from joint ventures	1	1,064
Investments in joint venture	(20,735)	(1,137)
Net cash (used) / generated by investing activities	(20,766)	1,059
Cash flows from financing activities		
Increase / (Decrease) in bank loans	16,482	(101,508)
Decrease in lease liabilities	-	(16)
Finance costs paid	(7,178)	(9,980)
Finance income received	40	46
Net cash generated / (used) by financing activities	9,344	(111,458)
Net increase / (decrease) in cash and cash equivalents	100	(5,244)
Cash and cash equivalents at start of year	33,749	38,993
Cash and cash equivalents at end of year	33,849	33,749

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Ordinary Share Capital £'000	Share Premium £'000	Retained earnings £'000	Total equity £'000
As at 1 April 2019	29,481	107,608	(5,373)	131,716
Loss for the year	-	-	(497)	(497)
At 31 March 2020	29,481	107,608	(5,870)	131,219
Loss for the year	-	-	(294)	(294)
At 31 March 2021	29,481	107,608	(6,164)	130,925

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

COMPANY BALANCE SHEET AS AT 31 MARCH 2021

REGISTERED NUMBER 07774351

	Note	31 Mar 2021 £'000	31 Mar 2020 £'000
ASSETS			
Non-current assets			
Investment in subsidiary	11	146,645	73,187
Trade and other receivables	13	2,831	2,130
Total non-current assets		149,476	75,317
Current assets			
Inventories	12	2,225	-
Trade and other receivables	13	1,977	74,981
Cash and cash equivalents		53	16
Total current assets		4,255	74,997
Total assets		153,731	150,314
LIABILITIES			
Current liabilities			
Borrowings	15	-	-
Trade and other payables	16	(21,094)	(16,965)
Total current liabilities		(21,094)	(16,965)
Net current (liabilities) / assets		(16,839)	58,032
Non-current liabilities			
Trade and other payables	16	(1,712)	(2,130)
Total non-current liabilities		(1,712)	(2,130)
Total liabilities		(22,806)	(19,095)
Net assets		130,925	131,219
Capital and reserves			
Ordinary share capital	19	29,481	29,481
Share premium		107,608	107,608
Retained earnings		(6,164)	(5,870)
Total equity		130,925	131,219

The financial statements on pages 35 to 63 were approved and authorised for issue by the Board of Directors on 22 July 2021.

A P Lawrence - Director
22 July 2021

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
Loss before tax	(294)	(497)
Adjustments for:		
Finance income	(117)	(136)
Finance costs	117	131
(Increase) / Decrease in trade and other receivables	(562)	643
Decrease / (Increase) in trade and other payables	175	(124)
Increase in inventories	(2,225)	-
Net cash (used) / generated by operating activities	(2,906)	17
Cash flows from investing activities		
Decrease in loans made by Company	-	(19)
Net cash used by investing activities	-	(19)
Cash flows from financing activities		
Decrease / (Increase) in loans from subsidiary undertakings	2,943	(1)
Finance costs paid	-	5
Net cash generated by financing activities	2,943	4
Net increase in cash and cash equivalents	37	2
Cash and cash equivalents at start of year	16	14
Cash and cash equivalents at end of year	53	16

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

The Company is a private company limited by shares incorporated and domiciled in England and Wales. The Group and Company's financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000) unless otherwise indicated.

Basis of preparation

These financial statements were prepared on the going concern basis, under the historical cost convention, in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The directors have elected not to separately disclose the Company's Income Statement in accordance with the exemption allowed under section 408 of the Companies Act 2006.

Going concern

The directors have conducted a rigorous assessment of the Group's ability to continue in operational existence for the period to 31 July 2022 (the going concern period). In making this assessment consideration has been given to the current trading performance along with the uncertainty inherent in future financial forecasts and, where applicable, severe but plausible sensitivities have been applied to key factors affecting the expected financial performance and liquidity of the Group. The assessment has considered stress tests to assess the Group's resilience to significant build delays, sales performance deterioration, cost increases and revenue reductions. In all stress tests the Group demonstrated that it could maintain good liquidity levels and full covenant compliance. The directors have also considered that should it be necessary there are a range of mitigating actions that can be taken in order to ensure continued liquidity and covenant compliance including the deferral of elective spend and the acceleration of receipts through sales initiatives.

As detailed in the Strategic Report, the Group has a comprehensive portfolio of projects and a strong forward sales orderbook underwriting its forecast cashflows which provides significant support for the conclusion that the Group is a going concern. Risk is also mitigated through the Group's land bank principally comprises land acquisition contracts conditional upon the receipt of satisfactory planning permission or in partnership with public sector organisations, providing protection from external political market risk. Furthermore, the land bank includes an average selling price, unit type and geographical mix that the directors consider leaves the Group well positioned. As detailed in the Strategic Report, the Group faces a number of political and economic uncertainties that could impact the achievement of forecast returns, due consideration has been given to these when assessing the going concern assumption.

Due to the current cycle of projects within the Group's portfolio, the Group held a cash balance of £34m and undrawn debt facilities of £87m as at 31 March 2021. The directors take significant comfort from the Group's financial health as it has sufficient liquidity to continue trading for the going concern period even under the severe stress test scenarios described above. The directors are in regular dialogue with the lenders and the lenders have expressed their continued support for the business

Accordingly, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern period and so continue to prepare these financial statements on the going concern basis.

1. ACCOUNTING POLICIES (CONTINUED)

New and amended standards and interpretations

The Group has not adopted any accounting standards for the first time in the year that have had a material impact on the Group's performance or position, nor has the Group adopted any standards or interpretations early in either the current or the preceding year. At the date of approving these financial statements there are no new or revised interpretations or standards in existence but not yet effective that are expected to have a material effect to the Group's financial position or performance.

Significant accounting judgements, estimates and assumptions

The preparation of the Group's and 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.

The following judgements have the most significant impact on the amounts recognised in the financial statements:

Inventory impairment and margin estimation

To determine the profit and loss that the Group is able to recognise on its developments in a specific period, the Group has to allocate total costs of each development between the proportion completing in the period and the proportion to complete in a future period. The assessment of the total costs to be incurred requires a degree of estimation. The Group has developed internal controls to review the carrying value of each development on a quarterly basis, estimating future revenue and expenditure. Where it is determined forecast revenues are lower than expected expenditure, an impairment charge is made. Charges made to previously impaired assets may be reversed in future years where there is evidence of increased selling prices or reduced expenditure.

Customer care provisions

On completion of each residential unit the Group creates a provision for customer care and estimated remaining costs. Provisions are created in the year the sale of the unit is completed to ensure that future years' earnings are not distorted to reflect costs which may be incurred on historic sales.

Indemnity provision

The indemnity provision relates to the Group's 2014 sale of its investment in Fulham Developments (Jersey) Limited, a special purpose residential property development joint venture company. The joint venture company was sold for a variable consideration dependent upon the return the purchaser made from that company. The Group provided an indemnity to the purchaser whereby should that return decrease the Group would repay a proportion of the consideration received. Events have arisen that may give rise to significant costs to the purchaser and accordingly the Group has recognised a provision for the amount of consideration that would be repayable to the purchaser.

1. ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

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

Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and its subsidiary undertakings, the financial statements of which are all made up to 31 March and follow consistent accounting policies. All intra group revenues, expenses, assets, liabilities and equity are eliminated on consolidation.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect the returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The value of the investment in the subsidiary held by the Company is recorded at cost less any impairment in the Company's balance sheet.

Joint ventures

A joint venture is a contractual arrangement whereby the Group undertakes an economic activity that is subject to joint control with third parties and these parties have rights to the net assets of the arrangement. The Group's interest in joint ventures is accounted for using the equity method. Under this method the Group's share of profits less losses after taxation of joint ventures is included in the consolidated income statement and its interest in their net assets is included in investments in the consolidated balance sheet. Accounting policies of joint ventures have been changed on consolidation where necessary, to ensure consistency with the policies adopted by the Group.

Revenue and contract balances

IFRS 15 Revenue from Contracts with Customers, this standard establishes a comprehensive five-step model to determine the amount and timing of revenue recognised from contracts with customers.

Revenue represents the total receivable in respect of sales and services provided once performance obligations are met.

Revenue from the sale of individual private residential dwellings, commercial units, land sales and freehold reversions are recognised on legal completion at the value of consideration received or receivable, net of selling discounts.

Revenue from contracted development sales is recognised using the input method i.e. cost completion percentage over the period the work is performed. The percentage of completion is measured through reference to the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs.

Where payments from customers are received after the associated performance obligations being met and therefore revenue recognised in the income statement, contract assets are recognised. Conversely where payments from customers are received in advance of the associated performance obligations being met and therefore revenue being recognised in the income statement, contract liabilities are recognised and these include buyer deposits.

1. ACCOUNTING POLICIES (CONTINUED)

Cost of sales

Costs attributable to fully develop the private residential dwellings and commercial units are regularly assessed and are fairly apportioned and charged to the income statement to reflect the legal completions recognised in the financial period.

Costs associated with contracted development sales are recognised in the period in which they are incurred.

Costs include direct materials, labour costs, site overheads, associated professional charges and other attributable overheads.

Other operating income / expenses

Other operating income / expenses comprises rent receivable and other incidental sundry income and costs which are recognised on a receivable basis.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

1. ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Property, plant and equipment

All property, plant and equipment is stated at historic cost less accumulated depreciation and impairment. 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 calculated on a straight line basis to write off the cost of each asset to its estimated residual value over its expected useful life. The annual rates of depreciation are as follows:

- Computer equipment and software — 3 Years
- Motor vehicles — 4 Years
- Furniture, fixtures and fittings — 4 Years

Inventories

Owned and contracted land and its 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 stage 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.

Trade and other receivables

Trade receivables on normal terms do not carry any interest, are stated at amortised cost and are assessed for recoverability on an ongoing basis.

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.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at amortised cost.

Accruals and deferred income

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

Borrowings

Interest bearing borrowings 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. Issue costs are recognised over the period of the facility using the effective interest rate method.

Preference shares

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 payable is disclosed as a finance cost.

2. REVENUE

	2021 £'000	2020 £'000
Sale of properties	116,667	215,487
Contracted development sales	42,094	56,930
	158,761	272,417

Included within revenue for the year was £6,767,000 which was included as a contract liability at the previous balance sheet date (2020: £11,270,000).

3. OPERATING PROFIT

	2021 £'000	2020 £'000
The operating profit is stated after charging:		
Depreciation of property, plant and equipment	667	742
Services provided by the Group's auditors:		
Audit of Company's financial statements	22	20
Audit of other Group financial statements	202	190

4. EMPLOYEE INFORMATION

	2021 £'000	2020 £'000
Wages and salaries	11,734	14,138
Social security costs	1,613	1,693
Pension costs	595	619
	13,942	16,450

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

	2021 Number	2020 Number
Production	30	30
Selling	18	26
Administration	82	84
	130	140

5. DIRECTORS' EMOLUMENTS

	2021 £'000	2020 £'000
Aggregate emoluments:		
Directors		
- Wages and salaries	3,759	2,925
- Benefits in kind	64	127
- Pension costs	-	-
Other key management personnel	136	25
	3,959	3,077

The total emoluments paid to the highest paid director were £875,000 (2020: £819,000).

Directors are considered key management personnel, other key management personnel are non-executive directors of the Company's parent undertakings who influence the decisions made by the Board.

6. FINANCE INCOME

	2021 £'000	2020 £'000
Group		
Bank interest on short term deposits	16	27
Other finance income	25	53
Group finance income	41	80
Share of joint venture finance income	1	-
	42	80

7. FINANCE COSTS

	2021 £'000	2020 £'000
Group		
Bank loan and loan note interest payable	5,961	7,953
Leasing finance costs	123	145
Amortisation of finance issue costs	671	666
Other finance costs	1,094	1,970
Group finance costs	7,849	10,734
Share of joint venture finance costs	-	97
	7,849	10,831

8. TAX

	2021 £'000	2020 £'000
Current taxation:		
Current tax on profits for the year	2,618	-
Adjustments in respect of prior years	-	1
Total current tax	2,618	1
Deferred taxation:		
Origination and reversal of temporary differences	(860)	(205)
Adjustments in respect of prior years	2,191	153
Effects of changes in tax rate	-	(178)
Total deferred tax	1,331	(230)
Tax	3,949	(229)

The tax assessed for the year is different from the rate of corporation tax in the UK of 19% (2020: 19%). The difference is explained below:

	2021 £'000	2020 £'000
Profit before tax	9,173	75
Tax at the UK standard rate of tax of 19% (2020: 19%)	1,743	14
Effects of:		
Expenses not deductible for tax purposes	50	109
Expenses qualifying for enhanced deduction	(38)	(119)
Non-taxable income	-	(869)
Permanent differences	16	16
Adjustments in respect of prior years	2,191	154
Effects of changes in tax rate	-	(178)
Movement in unrecognised deferred tax	6	2,844
Group relief not paid for	(16)	(1,981)
Joint ventures' results not included in Group tax	(3)	(219)
Total tax for the year	3,949	(229)

Corporation tax rate changes

Legislation has been enacted increasing the main UK corporation tax rate from 1 April 2023 to 25%.

Deferred tax

The deferred tax included in the Balance Sheet is as follows:

	2021 £'000	2020 £'000
Decelerated capital allowances	15	17
Asset tax bases in excess of carrying amount	315	291
Losses carried forward	1,898	3,251
Deferred tax asset	2,228	3,559

8. TAX (CONTINUED)

£2,228,000 (2020: £1,507,000) of the Group's deferred tax at year end is expected to reverse within one year and accordingly has been measured using the 19% tax rate (2020: 19%). £nil (2020: £2,052,000) is expected to reverse in greater than one year accordingly has been measured using the 19% tax rate (2020: 19%).

The Group has not recognised a deferred tax asset in respect of carried forward Corporate Interest Restriction disallowances due to uncertainties over the timing and recoverability in the foreseeable future. If recognised at the 19% tax rate (2020: 19%) applicable to the period it might be expected to reverse and then deferred tax asset would have amounted to £5,286,000 (2020: £8,083,000) at year end.

The Group's portfolio of developments continue to progress well and are forecast to generate sufficient future taxable profits against which the tax losses can be relieved.

The deferred tax charge / (credit) in the Income Statement comprises the following:

	2021 £'000	2020 £'000
Decelerated capital allowances	2	(25)
Asset tax bases in excess of carrying amount	(24)	(200)
Losses carried forward	1,353	(5)
Deferred tax charge / (credit)	1,331	(230)

9. PROPERTY, PLANT AND EQUIPMENT

	Leased Buildings £'000	Leased Office Equipment £'000	Leased Motor Vehicles £'000	Owned Computer Equipment £'000	Owned Furniture, Fixtures and Fittings £'000	Owned Motor Vehicles £'000	Total £'000
Cost							
At 1 April 2020	3,614	21	174	251	1,451	-	5,511
Additions	-	-	-	69	52	61	182
Disposals	-	-	-	-	-	-	-
At 31 March 2021	3,614	21	174	320	1,503	61	5,693
Accumulated Depreciation							
At 1 April 2020	1,519	16	117	217	1,135	-	3,004
Charge	362	4	37	34	224	6	667
Disposals	-	-	-	-	-	-	-
At 31 March 2021	1,881	20	154	251	1,359	6	3,671
Net Book Value							
At 31 March 2021	1,733	1	20	69	144	55	2,022
At 1 April 2020	2,095	5	57	34	316	-	2,507

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leased Buildings £'000	Leased Computer Equipment £'000	Leased Motor Vehicles £'000	Owned Computer Equipment £'000	Owned Furniture, Fixtures and Fittings £'000	Owned Motor Vehicles £'000	Total £'000
Cost							
At 1 April 2019	3,614	18	161	231	1,441	-	5,465
Additions	-	3	13	20	10	-	46
Disposals	-	-	-	-	-	-	-
At 31 March 2020	3,614	21	174	251	1,451	-	5,511
Accumulated Depreciation							
At 1 April 2019	1,158	6	76	172	850	-	2,262
Charge	361	10	41	45	285	-	742
Disposals	-	-	-	-	-	-	-
At 31 March 2020	1,519	16	117	217	1,135	-	3,004
Net Book Value							
At 31 March 2020	2,095	5	57	34	316	-	2,507
At 1 April 2019	2,456	12	85	59	591	-	3,203

10. INVESTMENTS IN JOINT VENTURES

	Group £'000
At 1 April 2020	12,138
Decrease in investments	(150)
Increase in investments	20,735
Share of operating profit	8
Share of finance income	1
Share of tax	(8)
At 31 March 2021	32,724

The Group owns 15% of Richmond Hill Developments (Jersey) Limited ('Richmond Hill'), a special purpose residential property development joint venture company incorporated in Jersey.

In 2018 the Group acquired 50% of the membership capital of Vulcan Wharf Holdings LLP ('Vulcan Wharf Holdings'), a special purpose entity incorporated in England and Wales for the development of a site in Stratford, London. The development contracts held by Vulcan Wharf were transferred at par in the year to Vulcan Wharf Holdings after the second joint venture partner had purchased 50% of Vulcan Wharf.

The directors believe the carrying value of the investment is supported by its underlying trade and net assets.

Summarised financial information of the joint venture companies, reflecting 100% of the Group's balances, is set out overleaf:

10. INVESTMENTS IN JOINT VENTURES

As at and for the year ended 31 March 2021

	Richmond Hill £'000	Vulcan Wharf £'000	Vulcan Wharf Holdings £'000
Current assets	2,090	-	56,040
Current liabilities	(490)	-	(1,072)
Net assets	1,600	-	54,968
Group's ownership interest	15%	50%	50%
Sub-total	240	-	27,484
Adjust for:			
Increase in fair value	-	-	5,000
Carrying value	240	-	32,484
Included in the above:			
Cash and cash equivalents	1,190	-	437
Revenue	102	-	68
Profit and total comprehensive income / (expense) for the year	(84)	-	9
Included in the above:			
Finance costs	(2)	-	-
Finance income	9	-	-
Tax	(52)	-	(2)

10. INVESTMENTS IN JOINT VENTURES

As at and for the year ended 31 March 2020

	Richmond Hill £'000	Vulcan Wharf £'000	Vulcan Wharf Holdings £'000
Current assets	6,191	4	13,561
Current liabilities	(3,629)	(4)	(183)
Net assets	2,562	-	13,378
Group's ownership interest	15%	50%	50%
Sub-total	384	-	6,689
Adjust for:			
Increase in fair value	-	-	5,000
Carrying value	384	-	11,689
Included in the above:			
Cash and cash equivalents	5,149	-	129
Revenue	41,744	-	-
Profit and total comprehensive income / (expense) for the year	6,588	-	(55)
Included in the above:			
Finance costs	(646)	-	-
Tax	1,100	-	(10)

11. INVESTMENT IN SUBSIDIARY

	Company £'000
At 1 April 2020	73,187
Increase in investment	73,458
At 31 March 2021	146,645

The directors believe the carrying value of the investment is supported by its underlying trade and net assets.

During the year the Company increased its investment in London Square Developments (Ventures) Limited by purchasing one A £1 ordinary share for a consideration for £73,458,000.

12. INVENTORIES

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Land	149,017	150,518	1,036	-
Work in progress	80,416	76,630	1,189	-
	229,433	227,148	2,225	-

Included in Cost of sales in the Group Income Statement is a charge of £2,313,000 (2020: £nil) relating to the impairment of inventories.

13. TRADE AND OTHER RECEIVABLES

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Current assets				
Trade receivables	1,368	1,982	-	-
Amounts owed by parent undertakings	858	858	858	859
Amounts owed by subsidiary undertakings	-	-	225	72,711
Other receivables	7,074	4,694	431	794
Contract assets	9,677	28,181	-	-
Net investment	-	-	419	399
Prepayments and accrued income	2,438	2,365	44	218
	21,415	38,080	1,977	74,981
Non-current assets				
Net investment	-	-	1,711	2,130
Other receivables	1,120	-	1,120	-
	1,120	-	2,831	2,130

During the year the Company purchased one £1 ordinary share in London Square Developments (Ventures) Limited, a subsidiary undertaking, in consideration for an intercompany debt of £73,458,000 owed to the Company.

During the year end, the Company has advanced loans totalling £1,099,000 to certain directors of the Company. The loans bear interest at 2.25% per annum and are repayable on the earlier of the borrower leaving employment or a sale of the Group. During the year £21,000 has been recognised as interest receivable and accrued within other receivables.

The amounts owed by parent and subsidiary undertakings are unsecured, interest-free and repayable on demand.

The directors consider the carrying amounts of trade and other receivables to approximate to their fair value.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalent balances includes £11,792,000 (2020: £4,511,000) of cash deposits 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. In addition, cash and cash equivalents includes £1,921,000 (2020: £793,000) of amounts held by the Group's solicitors in its client account on behalf of the Group. All proceeds included in cash and cash equivalents are not restricted and are under the absolute control of London Square Limited as the parent company of the Group.

15. BORROWINGS

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Current liabilities				
Bank loans	63,018	46,536	-	-
Unamortised loan issue costs	(1,351)	(2,022)	-	-
Loan notes	50,000	50,000	-	-
	111,667	94,514	-	-

The bank loans and loan notes 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 paid on a quarterly basis. Interest costs on loan notes are incurred at a fixed rate and paid on a quarterly basis.

In October 2018, the Company successfully concluded the refinancing of its £200m revolving credit facility. The Company secured a £150m revolving credit facility from RBS, HSBC and AIB for a 4 year term and an additional £50m loan note placement with Pricoa for a 7 year term. The Pricoa loan is due for repayment in four equal tranches, the first of which is due in October 2022. While the revolving credit facility is in place until October 2022, the rolling loans of the revolving credit facility are all due and expected to be paid within 12 months of the balance sheet date so the balance is shown as current. In February 2021, the Group did not seek prior consent from its lenders to novate a subcontractor contract to another party within the time period required by the revolving credit facility and loan note agreements. The £50m loan notes therefore also remain classified as current liabilities at the year end, as the debt was technically callable at that date although the lenders did not call the debt. Subsequent to the year end, all lenders confirmed their continued support of the Group, that there would be no action taken or impact in relation to this matter and the debt is now no longer callable.

The directors consider the carrying amounts of borrowings to approximate to their fair value.

16. TRADE AND OTHER PAYABLES

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Current liabilities				
Trade payables	26,661	25,201	258	223
Amounts owed to subsidiary undertakings	-	-	20,060	16,125
Other taxation and social security	622	750	-	-
Land payables	-	11,330	-	-
Contract liabilities	10,343	18,858	-	-
Lease liabilities	462	468	419	399
Other payables	255	316	-	-
Accruals and deferred income	12,466	13,058	357	218
	50,809	69,981	21,094	16,965
Non-current liabilities				
Lease liabilities	1,767	2,229	1,712	2,130
	1,767	2,229	1,712	2,130

Trade payables are non-interest bearing and normally settled on 30 day payment terms.

Contract liabilities includes amounts held in relation to monies received on exchange of contracts amounting to £9,077,000 (2020: £10,647,000).

The amounts owed to parent and subsidiary undertakings are unsecured, interest-free and repayable on demand.

The directors consider the carrying amounts of trade and other payables to approximate to their fair value.

17. PROVISIONS

	Group Completed Developments	Group Indemnity	Group Total
	£'000	£'000	£'000
At 1 April 2020	4,181	1,250	5,431
Utilised in year	(586)	(194)	(780)
Unused amounts released	(782)	-	(782)
Created in the year	1,819	-	1,819
At 31 March 2021	4,632	1,056	5,688

	Group Completed Developments	Group Indemnity	Group Total
	£'000	£'000	£'000
At 1 April 2019	3,631	5,825	9,456
Utilised in year	(1,403)	-	(1,403)
Unused amounts released	(225)	(4,575)	(4,800)
Created in the year	2,178	-	2,178
At 31 March 2020	4,181	1,250	5,431

Completed developments provisions relate to customer care and estimated remaining costs for completed residential units.

The indemnity provision relates to the Group's 2014 sale of its investment in Fulham Developments (Jersey) Limited, a special purpose residential property development joint venture company. The joint venture company was sold for a variable consideration dependent upon the return the purchaser made from that company. The Group provided an indemnity to the purchaser whereby should that return decrease the Group would repay a proportion of the consideration received. Events have arisen that may give rise to significant costs to the purchaser and accordingly the Group has recognised a provision for the amount of consideration that would be repayable to the purchaser. During the year further information has been received and assessed, resulting in a reduction of the provision.

18. FINANCIAL INSTRUMENTS

The key financial risks and uncertainties affecting the Group and Company and how these are managed by the directors are detailed below:

Cash flow and liquidity - Cash flows are reviewed by management on a regular basis enabling them to assess the Group's ability to meet its liabilities as they fall due and determine its ability to make land purchases and fund development works from the Group's cash and undrawn borrowing facilities.

Capital risk management - The Group's primary objectives in managing capital are to ensure the Group's continued ability to meet its liabilities as they fall due and to maintain an appropriate balance of equity to debt while minimising its cost of capital.

The Group is funded by a combination of ordinary shares, retained earnings, bank loans and loan notes.

The Group monitors capital primarily using a loan-to-cost ratio, which is calculated as the amount of outstanding bank loans and loan notes divided by the cost incurred in respect of its property developments.

18. FINANCIAL INSTRUMENTS (CONTINUED)

The Group's policy is to keep its average loan-to-cost ratio lower than 60% in accordance with its bank loan and loan note facilities.

Credit risk - The Group's exposure to credit risk is limited for its private residential sales as cash is received at the point of legal completion of its sales.

The Group's exposure to credit risk in respect of its cash and cash equivalents is also limited as the amounts are held by financial institutions with high credit ratings.

The Group's remaining credit risk arises from trade and other receivables under development agreements usually with housing associations. The directors consider the credit risk of these receivables to be low.

Maturity analysis

The following table sets out the maturities of estimated cash flows from the financial assets and liabilities of the Group:

	Less than 1 year £'000	2 to 5 years £'000	> 5 years £'000	Total £'000
As at 31 March 2021				
Bank loans	63,018	-	-	63,018
Loan notes	50,000	-	-	50,000
Trade and other payables	27,283	-	-	27,283
Accruals and deferred income	12,466	-	-	12,466
Lease liabilities	462	1,767	-	2,229
	153,229	1,767	-	154,996

While the revolving credit facility is in place until October 2022, the rolling loans are all due within 12 months of the balance sheet date as so the balance shown as current.

	Less than 1 year £'000	2 to 5 years £'000	> 5 years £'000	Total £'000
As at 31 March 2020				
Bank loans	46,536	-	-	46,536
Loan notes	50,000	-	-	50,000
Land payables	11,330	-	-	11,330
Trade and other payables	25,951	-	-	25,951
Accruals and deferred income	13,058	-	-	13,058
Lease liabilities	468	2,229	-	2,697
	147,343	2,229	-	149,572

18. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk - The Group is funded by a combination of ordinary shares, retained earnings, fixed rate loan notes and bank loans. The potential risk to the Group of an interest rate rise has been mitigated by the fixed rate funding and reducing the value of loans with floating interest rates. The following table sets out the interest rate risk associated with the Group's financial (assets) and financial liabilities:

	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
As at 31 March 2021				
Cash and cash equivalents	-	(33,849)	-	(33,849)
Bank loans	-	63,018	-	63,018
Loan notes	50,000	-	-	50,000
Trade and other payables	-	-	27,283	27,283
Accruals and deferred income	-	-	12,466	12,466
Lease liabilities	2,229	-	-	2,229
	52,229	29,169	39,749	121,147

	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
As at 31 March 2020				
Cash and cash equivalents	-	(33,749)	-	(33,749)
Bank loans	-	46,536	-	46,536
Loan notes	50,000	-	-	50,000
Land payables	-	-	11,330	11,330
Trade and other payables	-	-	25,951	25,951
Accruals and deferred income	-	-	13,058	13,058
Lease liabilities	2,697	-	-	2,697
	52,697	12,787	50,339	115,823

19. ORDINARY SHARE CAPITAL

	Group & Company 2021 £'000	Group & Company 2020 £'000
Authorised, allotted, called up and fully paid:		
29,261,346 (2020: 29,261,346) ordinary A shares of £1 each	29,261	29,261
220,000 (2020: 220,000) ordinary B shares of £1 each	220	220
	29,481	29,481

20. OPERATING LEASE COMMITMENTS

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Gross obligations repayable	2021	2020
	£'000	£'000
Within one year	563	591
More than one year and less than five years	1,938	2,168
More than five years	-	333
	2,501	3,092

Finance charges repayable	2021	2020
	£'000	£'000
Within one year	101	124
More than one year and less than five years	171	265
More than five years	-	7
	272	396

Net Obligations repayable	2021	2020
	£'000	£'000
Within one year	462	467
More than one year and less than five years	1,767	1,903
More than five years	-	326
	2,229	2,696

The Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Gross obligations repayable	2021	2020
	£'000	£'000
Within one year	516	516
More than one year and less than five years	1,880	2,063
More than five years	-	333
	2,396	2,912

Finance charges repayable	2021	2020
	£'000	£'000
Within one year	97	117
More than one year and less than five years	168	258
More than five years	-	7
	265	382

Net Obligations repayable	2021	2020
	£'000	£'000
Within one year	419	399
More than one year and less than five years	1,712	1,805
More than five years	-	326
	2,131	2,530

21. RELATED UNDERTAKINGS

Unless otherwise disclosed, the Company owns 100% of the issued share capital (either directly or indirectly) of the below list of related companies, incorporated in England and Wales with the same registered office as the Company:

Name	Business Activity	Class of shares
Directly held subsidiaries:		
London Square Developments (Ventures) Limited	Holding company	£1 ordinary shares
London Square (Staines) Limited	Land developer and housebuilder	£1 ordinary shares
Indirectly held subsidiaries:		
London Square (Holdings) Limited	Holding company	£1 A & B ordinary shares
London Square Developments Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Investments) Limited	Holding company	£1 ordinary shares
London Square (Putney) Limited	Land developer and housebuilder	£1 ordinary shares
London Square Living Ltd	Land developer and housebuilder	£1 ordinary shares
London Square Works Limited	Commercial Land developer	£1 ordinary shares
London Square (Streatham) Limited	Land developer and housebuilder	£1 ordinary shares
LSQ (Crimscott Street) Holdings Limited	Holding company	£1 ordinary shares
London Square (Crimscott Street) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Walton-on-Thames) Holdings Limited	Holding company	£1 ordinary shares
London Square (Walton-on-Thames) Limited	Land developer and housebuilder	£1 ordinary shares
London Square Development Management Limited	Property development management service provider	£1 ordinary shares
London Square (Fulham) Limited	Holding company	£1 ordinary shares
London Square (RSG) Limited	Holding company	£1 ordinary shares
London Square Partners Limited	Holding company	£1 ordinary shares
London Square (West Croydon) Holdings Limited	Holding company	£1 ordinary shares
London Square (West Croydon) Limited	Land developer and housebuilder	£1 ordinary shares
London Square (Bugsby Way) Holdings Ltd	Holding company	£1 ordinary shares
London Square (Bugsby Way) Ltd	Land developer and housebuilder	£1 ordinary shares
Square Roots Registered Provider Limited	Housing association real estate manager	£1 ordinary shares
London Square (Charter Square) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (NKR) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Tadworth) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Canada Water) Management Company Limited	Residents' Management Company	Limited by guarantee

21. RELATED UNDERTAKINGS (CONTINUED)

Name	Business Activity	Class of shares
Indirectly held subsidiaries (continued):		
London Square (Orpington) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Crimscott Street) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Caledonian Road) Management Company Limited	Residents' Management Company	Limited by guarantee
Chigwell Grange Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Greenwich) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Walton-on-Thames) Management Company Limited	Residents' Management Company	Limited by guarantee
London Square (Watford) Management Company Limited	Residents' Management Company	Limited by guarantee
Star & Garter (Richmond Hill) Management Company Limited	Residents' Management Company	Limited by guarantee
Ancaster House (Richmond Hill) Management Company Limited	Residents' Management Company	Limited by guarantee
Indirectly held joint ventures:		
Richmond Hill Developments (Jersey) Limited*	Land developer and housebuilder	£1 ordinary shares
Bulk Property Investor Limited**	Property investor	£1 ordinary shares
Vulcan Wharf Limited***	Land developer and housebuilder	1p ordinary shares
Vulcan Wharf Holdings LLP***	Land developer and housebuilder	1p ordinary shares

*The Company indirectly holds 15% of the share capital of Richmond Hill Developments (Jersey) Limited, a company registered in Jersey with a registered office of 44 Esplanade, St Helier, Jersey JE5 9WG.

**The Company indirectly holds 15% of the share capital of Bulk Property Limited, a company registered in England and Wales with a registered office of One York Road, Uxbridge, Middlesex UB8 1RN.

***The Company indirectly holds 50% of the share capital of Vulcan Wharf Limited and 50% membership share of Vulcan Wharf Holdings LLP, entities registered in England and Wales both with a registered office of One York Road, Uxbridge, Middlesex UB8 1RN.

22. RELATED PARTY TRANSACTIONS

Transactions between the Group and its parent

The Group has provided £858,000 of funding to LSQ HoldCo 3 Limited which remain outstanding at the current and prior year ends.

Transactions between the Company and its subsidiaries

During the year the Company purchased one £1 ordinary share in London Square Developments (Ventures) Limited, a subsidiary undertaking, in consideration for an intercompany debt of £73,458,000 owed to the Company.

At the year end the Company had amounts owed by subsidiary undertakings of £22,000 (2020: £nil) owed by Square Roots Registered Provider Ltd.

The Company leases office space used by the Group and has a sublease for this space on identical terms with London Square Developments Limited.

Transactions between the Group and its joint ventures

At the year end the Group had trade receivables of £31,000 (2020: £291,000) owed by Richmond Hill and £1,000 (2020: £nil) owed by Vulcan Wharf LLP, in respect of fees and cost recharges.

In February 2016 the Group provided loans of £6,619,000 of funding to Richmond Hill Development (Jersey) Limited (Richmond Hill). In the current year there are no loans outstanding with Richmond Hill. In the prior year Richmond Hill paid £50,000 of interest and repaid £1,014,000 of the remaining loan principal.

Transactions between the Group and its key management personnel

Included within the Company's and Group's other receivables at 31 March 2020 was £469,000 (2021: £nil) in respect of a loan made to Estera Trust (Jersey) Ltd, the trustees of the London Square Employee Benefit Trust. During the year a further loan of £682,000 was provided to the trust to facilitate the purchase of preference shares of another Group company for the benefit of the Group and subsequently £1,151,000 was repaid to the Trust for the sale of these preference shares.

During the year end, the Company has advanced loans totalling £1,099,610 to certain directors of the Company. The loans bear interest at 2.25% per annum and are repayable on the earlier of the borrower leaving employment or a sale of the Group. During the year £21,000 has been recognised as interest receivable and accrued within other receivables.

During 2018, a director became a board member of AXA PPP Healthcare Ltd, a company the Group already had a contract to receive medical insurance from on an arms length basis. £102,000 (2020: £154,000) was paid to AXA in the year.

Disclosures relating to the remuneration of directors and other key management personnel are given in Note 5.

23. PARENT AND CONTROLLING PARTY

The Company's immediate parent undertaking is LSQ HoldCo 3 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 (Holdings) Limited.

Financial statements for companies in the London Square Developments (Holdings) Limited group are available from the Company Secretary, One York Road, Uxbridge, Middlesex, UB8 1RN.