

REGISTERED NUMBER: 08051976 (England and Wales)

LONDON SQUARE WORKS LIMITED
DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022



LONDON SQUARE WORKS LIMITED

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LONDON SQUARE WORKS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS:	A P Lawrence S D Brown S S Hudson A Maciejewski M C Smith M S Phillips M S Evans J J Mcdonagh D A Kierney
SECRETARY:	A P Lawrence
REGISTERED OFFICE:	One York Road Uxbridge Middlesex UB8 1RN
REGISTERED NUMBER:	08051976 (England and Wales)
INDEPENDENT AUDITORS:	Ernst & Young LLP 1 More London Place London SE1 2AF
BANKERS:	The Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB

LONDON SQUARE WORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report with the financial statements of the Company for the year ended 31 March 2022.

REVIEW OF BUSINESS

The Company is responsible for the development and sale of commercial and other non-residential assets on development sites owned by other London Square group companies. During the year the Company acquired the commercial assets at the London Square Staines development and sold one of these assets, along with a number of other non-residential assets acquired in previous years.

The Company's results for the year and financial position as at year end are reported in the profit and loss account and the balance sheet.

In July 2022, the Company has guaranteed a new revolving credit facility for the Group. The Group successfully concluded the refinancing of its £150m revolving credit facility. The Group secured a £120m revolving credit facility with a £30m accordion option exercisable in 12 months at the Lenders discretion. This facility has a 4 year term from NatWest, AIB and Bank ABC. There remains outstanding a £50m loan note placement with Pricoa for a 7 year term.

DIVIDENDS

No dividends were recommended, approved or paid during the year (2021: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

A P Lawrence
S D Brown
S S Hudson
A Maciejewski
M C Smith
M S Phillips
M S Evans
J J McDonagh

Other changes in directors holding office are as follows:

D A Kierney - appointed 7 July 2021

GOING CONCERN

The directors have conducted a rigorous assessment of the Company's ability to continue in operational existence for the period to 30 September 2023 (the going concern period). In making this assessment consideration has been given to the current financial position 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 position and liquidity of the Company and of its role as a guarantor to the revolving credit facility held within another group company.

The directors take comfort from the fact that the Company's parent undertaking, London Square Limited, has provided an unconditional letter of support confirming that it shall make such financial support available as is necessary for the Company to meet its obligations during the going concern period from the date of signing these financial statements to the 30 September 2023.

Accordingly, the directors have a reasonable expectation that the Company 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.

LONDON SQUARE WORKS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

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

SMALL COMPANY EXEMPTION

This report has been prepared in accordance with the special provisions relating to small companies of Part 15 of the Companies Act 2006, including the exemption from providing a strategic report.

ON BEHALF OF THE BOARD:



S D Brown - Director
15 July 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SQUARE WORKS LIMITED

Opinion

We have audited the financial statements of London Square Works Limited for the year ended 31 March 2022 which comprise the Profit and Loss, the Balance Sheet, the Statement of Changes in Equity and the related Notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 company's ability to continue as a going concern from the date of signing these financial statements to the 30 September 2023.

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 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 our 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 this gives to 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SQUARE WORKS LIMITED

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON SQUARE WORKS LIMITED

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.

Our approach was as follows:

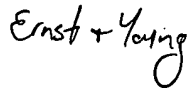
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006 and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework").
- We understood how London Square (Holdings) Limited is complying with those frameworks 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 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 non-compliance 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 board on compliance with regulations and 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LONDON SQUARE WORKS LIMITED**

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.

The logo for Ernst & Young, featuring the company name in a stylized, handwritten-style script.

Peter McIver (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Date: 18 July 2022

LONDON SQUARE WORKS LIMITED

**PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
REVENUE	3	14,925	1,520
Cost of sales		<u>(14,942)</u>	<u>(1,507)</u>
GROSS (LOSS)/PROFIT		(17)	13
Selling Costs		(651)	(76)
Administrative expenses		<u>-</u>	<u>(1)</u>
		(668)	(64)
Other operating loss		<u>(44)</u>	<u>-</u>
OPERATING LOSS and LOSS BEFORE TAXATION	5	(712)	(64)
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(712)	(64)
OTHER COMPREHENSIVE LOSS		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>(712)</u></u>	<u><u>(64)</u></u>

The notes form part of these financial statements

LONDON SQUARE WORKS LIMITED (REGISTERED NUMBER: 08051976)

**BALANCE SHEET
31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
CURRENT ASSETS			
Stocks	8	613	8,079
Debtors	9	30	-
Cash at bank		<u>1,168</u>	<u>34</u>
		1,811	8,113
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(2,743)</u>	<u>(8,333)</u>
NET CURRENT LIABILITIES		<u>(932)</u>	<u>(220)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(932)</u>	<u>(220)</u>
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Retained earnings		<u>(932)</u>	<u>(220)</u>
SHAREHOLDERS' FUNDS		<u>(932)</u>	<u>(220)</u>
		<u>(932)</u>	<u>(220)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 July 2022 and were signed on its behalf by:



S D Brown - Director

The notes form part of these financial statements

LONDON SQUARE WORKS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2020	-	(156)	(156)
Changes in equity			
Total comprehensive income	-	(64)	(64)
Balance at 31 March 2021	-	(220)	(220)
Changes in equity			
Total comprehensive income	-	(712)	(712)
Balance at 31 March 2022	-	(932)	(932)

The notes form part of these financial statements

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

London Square Works Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f) and 39(c) of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.

The Company's parent undertaking, London Square (Investments) Limited, was notified and did not object to the use of the disclosure exemptions.

New and amended standards and interpretations

The Company has not adopted any standards or interpretations early in either the current or the preceding year.

At the date of approving these financial statements 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 Company's financial position or performance.

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Significant accounting judgements, estimates and assumptions

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

The following judgement has the most significant impact on the amounts recognised in the financial statements:

Impairment of stocks

The Company has developed internal controls to review the carrying value of each asset on a quarterly basis, estimating expected revenue and expenditure, both of which require judgement. 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.

Significant accounting policies

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

Revenue and contract balances

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

Revenue from the sale of individual commercial units are recognised on legal completion at the value of consideration received or receivable, net of selling discounts.

Where payments from customers are received after the associated performance obligations being met and therefore revenue recognised in the profit and loss account, 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 profit and loss account, contract liabilities are recognised and these include buyer deposits.

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Cost of sales

Costs attributable to the sale of individual commercial units and other assets, such as car parking spaces, are charged to the profit and loss account in the financial period in which legal completion of the sale occurs.

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

Taxation

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 Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit and loss account. 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:

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Deferred tax (continued)

- 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.

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.

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Going concern

The directors have conducted a rigorous assessment of the Company's ability to continue in operational existence for the period to 30 September 2023 (the going concern period). In making this assessment consideration has been given to the current financial position 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 position and liquidity of the Company and of its role as a guarantor to the revolving credit facility held within another group company.

The directors take comfort from the fact that the Company's parent undertaking, London Square Limited, has provided an unconditional letter of support confirming that it shall make such financial support available as is necessary for the Company to meet its obligations during the going concern period from the date of signing these financial statements to the 30 September 2023.

Accordingly, the directors have a reasonable expectation that the Company 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.

Stocks

The related purchase costs and development expenses of the assets acquired for sale are valued at the lower of cost and net realisable value. Costs include acquisition price any 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.

Cash

Cash relates to all bank and similar balances which are readily available and liquid for use on demand.

Debtors

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

Trade creditors

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

Contract liabilities

Exchange deposits and on account contract receipts are held within contract liabilities until the legal completion of the related asset or cancellation of the sale.

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

3. REVENUE

	2022	2021
	£'000	£'000
Commercial revenue	<u>14,925</u>	<u>1,520</u>

Revenue for the year is derived from the sale of commercial property.

4. DIRECTORS' REMUNERATION

The directors did not receive any remuneration in respect of their services to the Company (2021: nil).

5. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	2022	2021
	£'000	£'000
Cost of inventories recognised as expense	<u>14,942</u>	<u>1,507</u>

6. AUDITORS' REMUNERATION

The fee payable to the Company's auditors for the audit of the financial statements of £9,000 (2021: £8,000) was borne by London Square Developments Limited, a fellow subsidiary undertaking of London Square Developments (Holdings) Limited.

7. TAXATION

The tax assessed for the period is different from the rate of corporation tax in the UK of 19% (2021: 19%). The difference is explained below:

	2022	2021
	£'000	£'000
Loss before taxation	<u>(712)</u>	<u>(64)</u>
Tax credit at the UK standard rate of tax of 19% (2021: 19%)	(135)	(12)
Effects of:		
Group relief not paid	209	173
Permanent differences	<u>(74)</u>	<u>(161)</u>
Total tax for the period	<u>-</u>	<u>-</u>

Corporation tax rate changes

Legislation has been enacted changing the UK corporation tax rate from 1 April 2023, the current rate of 19% will cease to apply and will be replaced by variable rates ranging from 19% to 25%.

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

8. STOCKS

	2022	2021
	£'000	£'000
Assets acquired for resale	<u>613</u>	<u>8,079</u>

The costs of sales expense reported in the Profit and Loss Account represents the value of stocks recognised as an expense for the current year.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade debtors	4	-
VAT	<u>26</u>	<u>-</u>
	<u>30</u>	<u>-</u>

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

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	17	1
Amounts owed to group undertakings	2,682	8,317
Accruals and deferred income	<u>44</u>	<u>15</u>
	<u>2,743</u>	<u>8,333</u>

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

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
2	Ordinary	1	<u>2</u>	<u>2</u>

LONDON SQUARE WORKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2022

12. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

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

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

13. SUBSEQUENT EVENTS

In July 2022, the Company has guaranteed a new revolving credit facility for the Group. The Group successfully concluded the refinancing of its £150m revolving credit facility. The Group secured a £120m revolving credit facility with a £30m accordion option exercisable in 12 months at the Lenders discretion. This facility has a 4 year term from NatWest, AIB and Bank ABC. There remains outstanding a £50m loan note placement with Pricoa for a 7 year term.