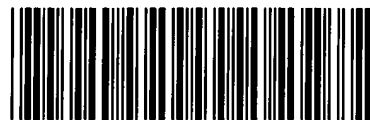


**LONDON SQUARE (RSG) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017
REGISTERED NUMBER: 08281137**

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COMPANIES HOUSE

LONDON SQUARE (RSG) LIMITED

DIRECTORS

A P Lawrence
B A Betsy
S D Brown

COMPANY SECRETARY

A P Lawrence

INDEPENDENT AUDITORS

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

BANKERS

The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

REGISTERED OFFICE

One York Road
Uxbridge
Middlesex
UB8 1RN

COMPANY REGISTRATION NUMBER

08281137

LONDON SQUARE (RSG) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for London Square (RSG) Limited (the "Company") for the year ended 31 March 2017.

BUSINESS REVIEW

During the year, the Company continued to be a holding company and is expected to continue as such for the foreseeable future.

The Company's results for the year and financial position as at year end are reported in the Profit and Loss Account on page 7 and the Balance Sheet on page 9 respectively.

The directors do not monitor any Company key performance indicators.

DIVIDENDS

No dividends were approved or paid during the year (2016: £nil).

GOING CONCERN

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

DIRECTORS

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

A P Lawrence
B A Betsy
S D Brown

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

LONDON SQUARE (RSG) LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

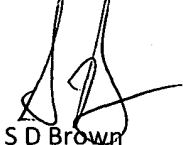
In the case of each director in office at the date the Directors' Report is approved:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; 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 EXEMPTIONS

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

On behalf of the board



Director

6 July 2017

Independent auditors' report to the members of London Square (RSG) Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2017;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

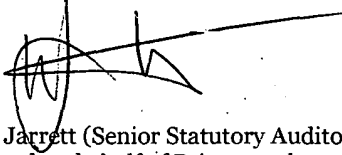
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

A handwritten signature in black ink, appearing to be 'Lee Jarrett', with a long horizontal line extending to the right.

Lee Jarrett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
6 July 2017

LONDON SQUARE (RSG) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	<u>Note</u>	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
Interest receivable and similar income	4	543,916	68,769
Profit before taxation		543,916	68,769
Tax on profit	5	-	-
Profit for the financial year		543,916	68,769

All amounts relate to continuing operations.

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

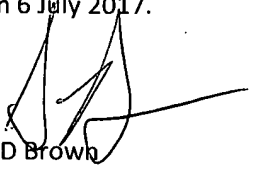
LONDON SQUARE (RSG) LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Called up share capital</u> £	<u>Retained earnings</u> £	<u>Total equity</u> £
At 1 April 2015	2	-	2
Profit for the financial year	-	68,769	68,769
	<hr/>	<hr/>	<hr/>
At 31 March 2016	2	68,769	68,771
Profit for the financial year	-	543,916	543,916
	<hr/>	<hr/>	<hr/>
At 31 March 2017	2	612,685	612,687
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

LONDON SQUARE (RSG) LIMITED
REGISTERED NUMBER: 08281137
BALANCE SHEET AS AT 31 MARCH 2017

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		<u>£</u>	<u>£</u>
Fixed assets			
Investments	6	7,381,650	7,381,650
Current assets			
Debtors	7	612,687	68,771
		<u>612,687</u>	<u>68,771</u>
Creditors: amounts falling due within one year	8	<u>(7,381,650)</u>	<u>(7,381,650)</u>
Net current liabilities		<u>(6,768,963)</u>	<u>(7,312,879)</u>
Total assets less current liabilities		<u>612,687</u>	<u>68,771</u>
Net assets		<u>612,687</u>	<u>68,771</u>
Capital and reserves			
Called up share capital	9	2	2
Retained earnings		612,685	68,769
Total equity		<u>612,687</u>	<u>68,771</u>

The financial statements on pages 7 to 14 were approved and authorised for issue by the board of directors on 6 July 2017.


S D Brown
Director
6 July 2017

LONDON SQUARE (RSG) LIMITED
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 Company's financial statements are presented in pounds sterling.

Basis of preparation

These financial statements were prepared on the going concern basis, under the historical cost convention, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), the Companies Act 2006 and applicable accounting standards.

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

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures* ;
- (b) the requirement of paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 *Presentation of Financial Statements* ; and
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment* .
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements* ;
- (d) the requirements of IAS 7 *Statement of Cash Flows* ;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ;
- (f) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures* ; and
- (g) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

Going concern

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

New and amended standards and interpretations

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

- IFRS 15 *Revenue from contracts with customers* (effective 1 January 2018)
- IFRS 9 *Financial Instruments* (effective 1 January 2018)

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

1 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.

Significant accounting policies

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

Investments

Investments are carried at cost, less provision for impairment.

Income taxes

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

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

LONDON SQUARE (RSG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2 AUDITORS' REMUNERATION

The fee payable to the Company's auditors for the audit of the financial statements of £2,400 (2016: £2,100) was borne by London Square Developments Limited, a fellow subsidiary undertaking of London Square Developments (Holdings) Limited.

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

3 DIRECTORS' REMUNERATION

The directors did not receive any remuneration in respect of their services to the Company (2016: £nil).

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Loan note interest receivable	543,916	68,769
	<u>543,916</u>	<u>68,769</u>

5 TAX ON PROFIT

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Current taxation:		
UK Corporation Tax	-	-
	<u>-</u>	<u>-</u>
Tax on profit	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the year is different from the rate of corporation tax in the UK of 20% (2016: 20%). The difference is explained below:

Profit before taxation	543,916	68,769
Tax at the UK standard rate of tax of 20% (2016: 20%)	<u>108,783</u>	<u>13,754</u>
Effects of:		
Permanent differences	(147,633)	(22,713)
Losses group relieved	38,850	8,959
	<u>-</u>	<u>-</u>
Total tax for the year	<u>-</u>	<u>-</u>

Corporation tax rate changes

Legislation has been enacted reducing the main UK corporation tax rate from 1 April 2017 to 19% and to 17% from 1 April 2020.

LONDON SQUARE (RSG) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6 INVESTMENTS

	<u>£</u>
Cost	
At 31 March 2016	7,381,650
Additions	-
	<hr/>
At 31 March 2017	7,381,650
	<hr/> <hr/>

The directors believe the carrying value of the investment is supported by its underlying trade and net assets. The Company owns 15% of the issued share capital of its joint venture, Richmond Hill Developments (Jersey) Limited, a land developer and housebuilder incorporated in Jersey with a registered office of 44 Esplanade, St Helier, Jersey JE5 9WG.

During the prior year the Company invested £6,618,450 in the joint venture in the form a loan, £4,268,850 of which bears interest at 12% per annum with the remainder interest free.

7 DEBTORS

	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
Amounts owed by group undertakings	2	2
Amounts owed by joint venture undertaking	612,685	68,769
	<hr/>	<hr/>
	612,687	68,771
	<hr/> <hr/>	<hr/> <hr/>

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

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
Amounts owed to group undertakings	7,381,650	7,381,650
	<hr/>	<hr/>
	7,381,650	7,381,650
	<hr/> <hr/>	<hr/> <hr/>

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

9 CALLED UP SHARE CAPITAL

	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
<i>Authorised, allotted, called up and fully paid:</i>		
2 (2016: 2) ordinary shares of £1 each	2	2
	<hr/> <hr/>	<hr/> <hr/>

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

LONDON SQUARE (RSG) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

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