

REGISTERED NUMBER: 08633361 (England and Wales)

LONDON SQUARE (CRIMSCOTT STREET) LIMITED
DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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LONDON SQUARE (CRIMSCOTT STREET) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2021**

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LONDON SQUARE (CRIMSCOTT STREET) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

DIRECTORS:

A P Lawrence
S D Brown
A Maciejewski
S S Hudson
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:

08633361 (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 (CRIMSCOTT STREET) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report with the financial statements of the Company for the year ended 31 March 2021.

REVIEW OF BUSINESS

The Company owns a site in Bermondsey, London on which it has commenced a residential and commercial development.

DIVIDENDS

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

DIRECTORS

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

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

Other changes in directors holding office are as follows:

R S Littler - resigned 3 April 2020
J J McDonagh - appointed 28 September 2020

D A Kierney was appointed as a director after 31 March 2021 but prior to the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties are covered within the Financial Risk Management section of this report.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

GOING CONCERN

The directors have conducted a rigorous assessment of the Company's ability to continue in operational existence for the period to 31 August 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 Company and of its role as a guarantor to the revolving credit facility held within another group company. The assessment has considered stress tests to assess the Company'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.

In order to meet its liabilities as they fall due, the Company is reliant on financial support from its parent, London Square Limited. An unconditional letter of support has been obtained from London Square Limited, stating that it will provide financial support to the Company during the going concern period.

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.

FINANCIAL RISK MANAGEMENT

Cash flow and liquidity

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

Capital risk management

The Company's primary objectives in managing capital are to ensure the Company'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 Company is funded by intercompany loans.

The Company monitors capital through regular review of the Bermondsey development's performance and forecast.

Credit risk

The Company'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 Company'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 Company's remaining credit risk arises from trade and other receivables from housing associations. The directors consider the credit risk of these receivables to be low.

Interest rate risk

The Company is not exposed to interest rate risk as all its debts are interest-free.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

DISCLOSURE OF INFORMATION TO AUDITORS

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, including the exemption from providing a strategic report.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S D Brown', written over a horizontal line.

S D Brown - Director

Date: 6 August 2021

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

Opinion

We have audited the financial statements of London Square (Crimscott Street) Limited (the 'Company') for the year ended 31 March 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 2021 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.

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 Auditors' 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 for the going concern period, being the period to 31 August 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 company's ability to continue as a going concern.

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

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 with 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 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 four, 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.

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

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 Auditors' 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 material misstatements in respect of 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:

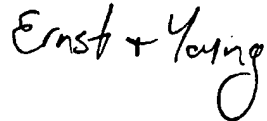
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Companies Act 2006 and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework").
- We understood how London Square (Crimscott Street) 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 (CRIMSCOTT STREET) 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 Auditors' 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.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written over the printed name of the auditor.

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

Date: 6 August 2021

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

**PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £'000	2020 £'000
TURNOVER		52,861	3,120
Cost of sales		<u>(39,093)</u>	<u>(3,014)</u>
GROSS PROFIT		13,768	106
Distribution costs		(1,628)	(674)
Administrative expenses		<u>(44)</u>	<u>(12)</u>
		12,096	(580)
Other operating income		<u>311</u>	<u>247</u>
OPERATING PROFIT/(LOSS)		12,407	(333)
Interest payable and similar expenses	4	<u>(2,944)</u>	<u>(3,442)</u>
PROFIT/(LOSS) BEFORE TAXATION	5	9,463	(3,775)
Tax on profit/(loss)	7	<u>-</u>	<u>(72)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		9,463	(3,847)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,463</u>	<u>(3,847)</u>

The notes form part of these financial statements

LONDON SQUARE (CRIMSCOTT STREET) LIMITED (REGISTERED NUMBER: 08633361)

**BALANCE SHEET
31 MARCH 2021**

	Notes	2021 £'000	2020 £'000
CURRENT ASSETS			
Stocks	8	90,701	94,694
Debtors	9	4,182	1,855
Cash at bank		<u>1,122</u>	<u>334</u>
		96,005	96,883
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(93,073)</u>	<u>(104,054)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,932</u>	<u>(7,171)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,932</u>	<u>(7,171)</u>
 PROVISIONS FOR LIABILITIES	11	640	-
 CAPITAL AND RESERVES			
Called up share capital	12	-	-
Retained earnings		<u>2,292</u>	<u>(7,171)</u>
 SHAREHOLDERS' FUNDS		<u>2,292</u>	<u>(7,171)</u>
		<u>2,932</u>	<u>(7,171)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 6 August 2021 and were signed on its behalf by:



S D Brown - Director

The notes form part of these financial statements

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

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

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2019	-	(3,324)	(3,324)
Changes in equity			
Total comprehensive income	<u>-</u>	<u>(3,847)</u>	<u>(3,847)</u>
Balance at 31 March 2020	<u>-</u>	<u>(7,171)</u>	<u>(7,171)</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>9,463</u>	<u>9,463</u>
Balance at 31 March 2021	<u><u>-</u></u>	<u><u>2,292</u></u>	<u><u>2,292</u></u>

The notes form part of these financial statements

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

London Square (Crimscott Street) 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 in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The Company's parent undertaking, LSQ (Crimscott Street) Holdings Limited, was notified and did not object to the use of the disclosure exemptions.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

New and amended standards and interpretations

The Company has not adopted any accounting standards for the first time in the year that have had a material impact on the Company's performance or position, nor has the Company 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.

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 and margin estimation

To determine the profit and loss that the Company is able to recognise on its developments in a specific period, the Company 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 Company 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.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Significant accounting policies

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

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.

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 profit and loss account 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.

Stocks

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.

Contract liabilities

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

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

Other operating income

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

Promissory notes

Promissory notes are recognised on an amortised cost basis with finance costs recognised as an expense in the profit and loss account in the period to which they relate.

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.

Going concern

The directors have conducted a rigorous assessment of the Company's ability to continue in operational existence for the period to 31 August 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 Company and of its role as a guarantor to the revolving credit facility held within another group company. The assessment has considered stress tests to assess the Company'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.

In order to meet its liabilities as they fall due, the Company is reliant on financial support from its parent, London Square Limited. An unconditional letter of support has been obtained from London Square Limited, stating that it will provide financial support to the Company during the going concern period.

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 (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

3. DIRECTORS' REMUNERATION

The directors did not receive any remuneration in respect of their services to the Company (2020: £nil).

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Other finance costs	218	1,128
Bank loan interest payable	<u>2,726</u>	<u>2,314</u>
	<u>2,944</u>	<u>3,442</u>

5. PROFIT/(LOSS) BEFORE TAXATION

The profit before taxation (2020 - loss before taxation) is stated after charging:

	2021 £'000	2020 £'000
Cost of inventories recognised as expense	<u>39,093</u>	<u>3,014</u>

6. AUDITORS' REMUNERATION

The fee payable to the Company's auditors for the audit of the financial statements of £10,000 (2020: £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% (2020: 19%). The difference is explained below:

	2021 £'000	2020 £'000
Profit / (Loss) before taxation	<u>9,463</u>	<u>(3,775)</u>
Tax at the UK standard rate of tax of 19% (2020: 19%)	1,798	(717)
Effects of:		
Expenses not deductible for tax purposes	-	3
Expenses qualifying for enhanced deduction	(19)	(1)
Permanent difference	(1,906)	(1,367)
PY adjustments	-	72
Group relief not paid for	<u>127</u>	<u>2,082</u>
Total tax for the period	<u>-</u>	<u>72</u>

Corporation tax rate changes

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

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**

8. STOCKS

	2021	2020
	£'000	£'000
Land	49,612	60,367
Work in progress	<u>41,089</u>	<u>34,327</u>
	<u>90,701</u>	<u>94,694</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 and preceding year.

9. DEBTORS

	2021	2020
	£'000	£'000
Trade debtors	322	310
Other debtors	526	323
Contract assets	2,661	487
VAT	44	-
Prepayments and accrued income	<u>629</u>	<u>735</u>
	<u>4,182</u>	<u>1,855</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade creditors	-	1
Amounts owed to parent undertakings	80,119	89,150
VAT	-	23
Other creditors	125	-
Contract liabilities	8,773	10,393
Accruals and deferred income	<u>4,056</u>	<u>4,487</u>
	<u>93,073</u>	<u>104,054</u>

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

Contract liabilities includes amounts held in relation to monies received on exchange of contracts amounting to £8,770,000 (2020: £10,390,000).

11. PROVISIONS FOR LIABILITIES

	2021	2020
	£'000	£'000
Other provisions	<u>640</u>	<u>-</u>

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2021

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

13. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The Company's immediate parent undertaking is LSQ (Crimscott Street) Holdings 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.