

REGISTERED NUMBER: 08633361 (England and Wales)

LONDON SQUARE (CRIMSCOTT STREET) LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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LONDON SQUARE (CRIMSCOTT STREET) LIMITED

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LONDON SQUARE (CRIMSCOTT STREET) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023**

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, Statutory Auditor
London

BANKERS:

The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

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

During the year the Company sold the remaining residential units in its development except one which sold in May 2023. The Company currently holds commercial units at the development.

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.

The directors do not monitor any Company key performance indicators.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- Inability to source appropriately skilled personnel and suitably priced materials, resulting in delays and declining profitability - this is mitigated by ensuring that systems are in place for engaging, monitoring and controlling work carried out by subcontractors and by ensuring that materials are secured at competitive prices.
- Inability to operate successfully in a highly competitive market, resulting in declining performance - this is mitigated by remaining informed of the changes in market conditions and responding to them strategically to ensure the Company maximises its performance.
- Health and safety on the development sites - this is mitigated by rigorous training, regular inspections and close monitoring.
- Cash flow and liquidity - Cash flows are reviewed by management on a regular basis enabling them to make an assessment of the Company's available cash, in order to meet liabilities as they become due.

ON BEHALF OF THE BOARD:



.....
S D Brown - Director

Date: 30 November 2023

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report with the financial statements of the Company for the year ended 31 March 2023.

DIVIDENDS

No dividends were recommended, approved or paid during the year (2022: £nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 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
J J McDonagh
D A Kierney

GOING CONCERN

The directors have conducted a rigorous assessment of the Company's ability to continue in operational existence for the period to 31 December 2024 (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 London Square Developments (Holdings) 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 until 31 December 2024.

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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 funded by a combination of ordinary shares, intercompany loans and a bank loan held by another group company. The potential risk of an interest rate rise has been mitigated by the interest-free intercompany loan funding. If interest rates increase then the amounts payable in respect of the floating rate liabilities will increase.

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.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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

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.

ON BEHALF OF THE BOARD:



.....
S D Brown - Director

Date: 30 November 2023

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 2023 which comprise the Profit and Loss, 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 FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2023 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 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 for a period to 31 December 2024.

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 within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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.
- 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 noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify any non-compliance with laws and regulations, a review of the reporting to the 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.

Ernst & Young LLP.

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

Date: 30 November 2023

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

**PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £'000	2022 £'000
REVENUE	3	54,526	63,428
Cost of sales		(47,459)	(48,098)
GROSS PROFIT		7,067	15,330
Selling costs		(1,324)	(2,024)
Administrative expenses		(76)	(92)
		5,667	13,214
Other operating income		842	471
OPERATING PROFIT		6,509	13,685
Interest payable and similar expenses	5	(2,073)	(3,094)
PROFIT BEFORE TAXATION		4,436	10,591
Tax on profit	7	(769)	(299)
PROFIT FOR THE FINANCIAL YEAR		3,667	10,292
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,667	10,292

The notes form part of these financial statements

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

BALANCE SHEET
31 MARCH 2023

	Notes	2023 £'000	2022 £'000
CURRENT ASSETS			
Stocks	8	54,070	79,552
Debtors	9	1,635	4,166
Cash at bank		488	5,353
		<u>56,193</u>	<u>89,071</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(39,173)</u>	<u>(75,489)</u>
NET CURRENT ASSETS		<u>17,020</u>	<u>13,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,020</u>	<u>13,582</u>
 PROVISIONS FOR LIABILITIES	11	 769	 998
 CAPITAL AND RESERVES			
Called up share capital	12	-	-
Retained earnings		16,251	12,584
SHAREHOLDERS' FUNDS		<u>16,251</u>	<u>12,584</u>
		<u>17,020</u>	<u>13,582</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2023 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 2023**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2021	-	2,292	2,292
Changes in equity			
Total comprehensive income	-	10,292	10,292
Balance at 31 March 2022	-	12,584	12,584
Changes in equity			
Total comprehensive income	-	3,667	3,667
Balance at 31 March 2023	-	16,251	16,251

The notes form part of these financial statements

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 Company is a member of Crimscott Street, Bermondsey Management Company Limited, a private company limited by guarantee without share capital, incorporated in England and Wales and has the same registered office as the Company.

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 17 of IAS 24 Related Party Disclosures;
- 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 2023

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.

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.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

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

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.

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

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 31 December 2024 (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 London Square Developments (Holdings) 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 until 31 December 2024.

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.

3. REVENUE

Revenue from contracts with customers

	2023 £'000	2022 £'000
Contract sales	52,505	55,920
Contracted development sales	2,021	4,994
Commercial sales	-	2,514
	<u>54,526</u>	<u>63,428</u>

Included within revenue for the year is £5,191,000 included as a contract liability at the previous balance sheet date (2022: £5,569,000).

4. DIRECTORS' REMUNERATION

The directors did not receive any remuneration in respect of their services to the Company (2022: £nil).

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £'000	2022 £'000
Other Interest	44	-
Other finance costs	165	204
Bank loan interest payable	1,864	2,890
	<u>2,073</u>	<u>3,094</u>

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

6. AUDITORS' REMUNERATION

The fee payable to the Company's auditors for the audit of the financial statements of £12,000 (2022: £11,000) 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% (2022: 19%). The difference is explained below:

	2023 £'000	2022 £'000
Profit before taxation	4,436	10,591
Tax at the UK standard rate of tax of 19% (2022: 19%)	843	2,012
Effects of:		
Expenses qualifying for enhanced deduction	(20)	(22)
Permanent difference	(821)	(1,573)
Movement in unrecognised deferred tax	1,177	-
Group relief not paid	(769)	(118)
Adjustment in respect of prior years	(1,179)	-
Total tax for the period	769	299

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 to 25%.

8. STOCKS

	2023 £'000	2022 £'000
Land	26,559	37,453
Work in progress	27,511	42,099
	54,070	79,552

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

	2023 £'000	2022 £'000
Trade debtors	1,292	380
Other debtors	253	251
Contract assets	6	3,038
Prepayments and accrued income	84	497
	1,635	4,166

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade creditors	78	-
Amounts owed to parent undertakings	35,987	66,771
Tax	1,068	299
VAT	26	26
Contract liabilities	5	5,191
Accruals and deferred income	2,009	3,202
	<u>39,173</u>	<u>75,489</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 £5,000 (2022: £5,191,000).

11. PROVISIONS FOR LIABILITIES

	£'000
At 1 April 2022	998
Utilised in year	(21)
Created in the year	219
Unused amounts released	(427)
	<u>769</u>
At 31 March 2023	
At 1 April 2021	640
Utilised in the year	(31)
Created in the year	389
	<u>998</u>
At 31 March 2022	

Provisions relate to customer care and estimated remaining costs for completed residential units.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2023	2022
Number:	Class:	Nominal value:	£	£
2	Ordinary shares	£1	<u>2</u>	<u>2</u>

LONDON SQUARE (CRIMSCOTT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

13. SUBSEQUENT EVENTS

London Square Developments (Holdings) Limited ("the Group") has secured credit approval for a £31m Bilateral loan for 3 years with Homes England. The Group and its lenders are in the process of documenting the final terms for execution. This is dependent upon the approval in change of control noted below.

The Group has secured a new equity sponsor. In a transaction between the ultimate shareholders of the Group, funds managed by affiliates of Ares Management LLC, and Aldar Properties PJSC (Aldar), Aldar have contracted to purchase all of the outstanding equity, preference capital and loan notes of the Group.

Completion of the purchase constitutes a change of control under the Group's debt agreements and provides the lenders with the opportunity to approve the new controlling party or require repayment of the bank loans and loan notes. On completion, the lenders will be requested to approve the change of control or refinance the loans on mutually agreeable terms but at the time of signing these financial statements this is yet to be agreed.

14. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The Company's immediate parent undertaking is LSQ (Crimscott Street) Holdings Limited and at the balance sheet date the ultimate controlling parties are funds managed by affiliates of Ares Management LLC. Subsequent to year end, the funds managed by affiliates of Ares Management LLC agreed to sell all interests in the London Square Developments (Holdings) Limited group to Aldar Properties PSJC, an entity listed on the Abu Dhabi Stock Exchange. 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.