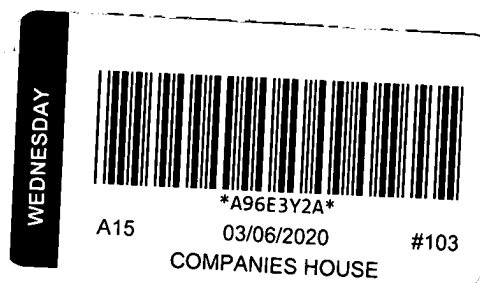


Registered number: 10659859

GOLDEN SQUARE RE INVESTMENTS 1 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



GOLDEN SQUARE RE INVESTMENTS 1 LIMITED

COMPANY INFORMATION

Directors	N A Forster D M Reid
Company secretary	S Cruickshank
Registered number	10659859
Registered office	15 Golden Square London W1F 9JG
Independent auditor	BDO LLP Statutory Auditors 150 Aldersgate Street London EC1A 4AB

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The directors present their report and the financial statements of Golden Square RE Investments 1 Limited ("the Company") for the year ended 30 June 2019.

Principal activity

The Company is a wholly-owned direct subsidiary of Ingenious Real Estate Investments Limited, a wholly owned subsidiary of Ingenious Capital Management Holdings Limited, the parent company of the Ingenious Capital Management Holdings Limited group ("the Group"). The principal activity of the Company is the issuance of commercial loans to prospective borrowers for the purpose of funding residential, commercial and mixed use development projects.

Directors

The directors who served during year were:

N A Forster
D M Reid
R D Jones (resigned 23 May 2019)

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Provision of insurance to directors

All directors were covered by directors' and officers' liability insurance throughout the year under review and this will continue to remain in force.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Principal risks and uncertainties

The key business risks faced by the Company can be affected by a number of factors, some of which may result from matters beyond the Company's control, such as conditions in the domestic and global financial markets, and the wider economy. The directors have specifically considered the impact of the COVID 19 world pandemic outbreak on the business – please refer to note 1.3 Going concern for further details. The financial risk and operational management policies are determined for the Group as a whole and are discussed in the Group's Annual Reports and Financial Statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the directors. Please refer to note 1.3 for further details.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

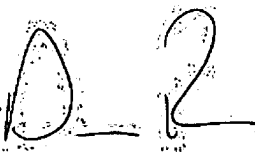
Auditor

The auditor, BDO LLP, was appointed during the year and in the absence of a notice proposing the appointment is terminated, BDO LLP will be deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



D M Reid
Director

Date: 27 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN SQUARE RE INVESTMENTS 1 LIMITED

Opinion

We have audited the financial statements of Golden Square RE Investments 1 Limited ("the Company") for the year ended 30 June 2019 which comprise the statement of profit or loss and the balance sheet, and the 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 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.

Material uncertainty related to going concern

We draw your attention to note 1.3 of the financial statements, which indicates that there is likely to be delays in the completion of the underlying real estate projects in which the company is invested, as a result of the COVID 19 pandemic which could impact going concern. As stated in note 1.3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt over the entity's ability to continue as a going concern. Our opinion is not modified in this respect.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN SQUARE RE INVESTMENTS 1 LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN SQUARE RE INVESTMENTS 1 LIMITED

Responsibilities of 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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Peter Smith

for and on behalf of
BDO LLP

London, UK

27 May 2020

GOLDEN SQUARE RE INVESTMENTS 1 LIMITED

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2019**

		30 June 2019 £	<i>Period ended 30 June 2018 £</i>
	Note		
Turnover		711,746	983,167
Gross profit		711,746	983,167
Administrative expenses		(4,218)	(55,485)
Other operating income		45,000	-
Operating profit	4	752,528	927,682
Tax on profit	6	139,238	(176,260)
Profit for the financial year		891,766	751,422
Other comprehensive income for the year			
Total comprehensive income for the year		891,766	751,422

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of profit or loss.

The notes on pages 8 to 13 form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due after more than one year	7	2,365,601	2,357,566
Debtors: amounts falling due within one year	7	2,523,120	6,923,886
		<u>4,888,721</u>	<u>9,281,452</u>
Creditors: amounts falling due within one year	8	(3,245,532)	(8,530,029)
Net current assets		<u>1,643,189</u>	<u>751,423</u>
Total assets less current liabilities		<u>1,643,189</u>	<u>751,423</u>
Net assets		<u>1,643,189</u>	<u>751,423</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		1,643,188	751,422
		<u>1,643,189</u>	<u>751,423</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D M Reid
Director

27 May 2020

The notes on pages 8 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006

The functional and presentational currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest pound.

The financial statements do not include a cash flow statement because the Company satisfies the criteria of being a qualifying small entity as defined in FRS102 and as such has taken advantage of the exemption available under section 1 A of FRS102 not to disclose such a statement.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is generated through interest income and fees from the provision of loans.

Interest income is recognised in the Profit and Loss Account using the effective interest method.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1.3 Going concern

The directors have specifically considered the impact of the COVID 19 world pandemic outbreak on the business. At the time of approval of these financial statements, the full impact of the pandemic is unknown, but the directors acknowledge that there is likely to be a slowdown in the Real Estate market in the UK. At the moment, there is no business interruption for the Company's borrowers, but where they undertake construction projects, appropriate social distancing protocols have been established which may lead to a delay in the finalisation and sale of these projects and which in turn may lead to a delay in the borrower's ability to repay their debts to the Company. At this stage, it is not yet possible to assess the impact on the expected value of the finalised projects which in turn will indicate whether the value of deployed capital is impaired. Furthermore, the Company's other business activities, its performance for the year, its future cash flow forecasts and other factors likely to affect its future development, have been reviewed by the directors. Having also assessed the risks facing the business as set out in the Directors' Report, together with the current financial projections, they believe that the entity is well placed to manage its business successfully. However, until there is more clarity around the impact of COVID 19 on the business, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. Accounting policies (continued)

1.4 Taxation

Tax is recognised in the Statement of Profit or Loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Other loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There were no significant judgments or estimates during the year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

3. Other operating income

	30 June 2019 £	<i>Period ended 30 June 2018 £</i>
Other operating income	45,000	-
	45,000	-

Other operating income relates to intercompany recharges within the Group.

4. Operating profit

The operating profit is stated after charging:

	30 June 2019 £	<i>Period ended 30 June 2018 £</i>
Auditors remuneration	3,532	3,900

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

6. Taxation

	30 June 2019 £	<i>Period ended 30 June 2018 £</i>
Corporation tax		
UK corporation tax	-	176,260
Adjustments in respect of previous periods	(139,238)	-
	<u>(139,238)</u>	<u>176,260</u>
Total current tax	<u>(139,238)</u>	<u>176,260</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(139,238)</u>	<u>176,260</u>

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	30 June 2019 £	<i>Period ended 30 June 2018 £</i>
Profit on ordinary activities before tax	<u>752,528</u>	<u>927,682</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>142,980</u>	<u>176,260</u>
Effects of:		
Non-taxable income	(8,550)	-
Group relief claimed	(134,430)	-
Adjustment in respect of prior period	(139,238)	-
Total tax charge for the year/period	<u>(139,238)</u>	<u>176,260</u>

No factors affecting the future tax charge.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. Debtors

	2019 £	2018 £
Due after more than one year		
Loans receivable	2,365,601	2,357,566
	<u>2,365,601</u>	<u>2,357,566</u>
Due within one year		
Loans receivable	2,521,920	6,923,886
Other debtors	1,200	-
	<u>2,523,120</u>	<u>6,923,886</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	3,181,963	8,270,369
Corporation tax	-	176,260
Other creditors	37,022	-
Accruals and deferred income	26,547	83,400
	<u>3,245,532</u>	<u>8,530,029</u>

Amounts owed to Group undertakings represents the balance due in respect of an intra-group loan with Company's direct parent, Ingenious Real Estate Investments Limited. The loan is repayable on demand and no interest is charged.

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00 each	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

10. Related party transactions

The Company has applied the exemption granted by Section 33.1A of FRS 102 Related Party Disclosures not to disclose transactions with the parent company on the basis that it is a wholly owned subsidiary or any transactions with other related parties that have been undertaken under normal market conditions. Under this standard, disclosure is only required of material transactions with related parties that are not at arms length. There were no such transactions during the year.

11. Post balance sheet events

The outbreak and unprecedented spread of the COVID 19 pandemic across the globe has had a profound impact on local and global markets in a matter of weeks, and is expected to continue to shape the economic landscape for the immediate future. The Directors continue to monitor closely the impact of unfolding events in order to respond swiftly to any consequential implications on the business. Refer to note 1.3 for the impacts on going concern.

12. Controlling party

During the period ended 30 June 2019 the Company was a wholly owned subsidiary of Ingenious Real Estate Investments Limited, a wholly owned subsidiary of Ingenious Capital Management Limited. The ultimate controlling party is P A McKenna.

The consolidated financial statements of Ingenious Capital Management Holdings Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.