

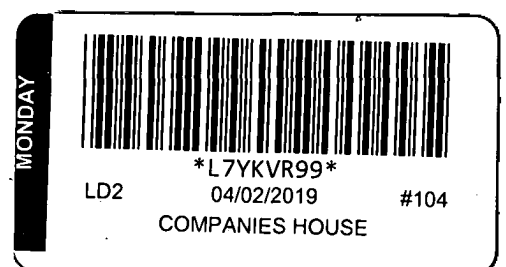
## McLaren Property Limited

Report and Financial Statements

Year Ended

31 July 2018

Company Number 07260814

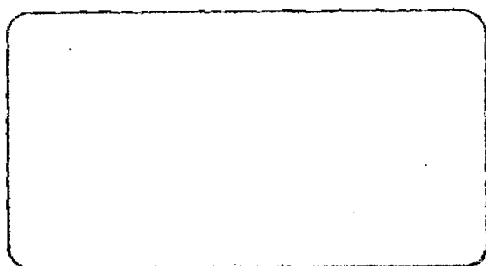


# McLaren Property Limited

## Company Information

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<b>Directors</b>	J A Gatley E J Cannon C R Young
<b>Registered number</b>	07260814
<b>Registered office</b>	3rd Floor East Leconfield House Curzon Street London W1J 5JA
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU



# McLaren Property Limited

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# McLaren Property Limited

## Directors' Report for the Year Ended 31 July 2018

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The directors present their report and the financial statements for the year ended 31 July 2018.

### 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

### Principal activity

The principal activity of the company is that of property development and asset management by way of joint ventures, through fellow subsidiaries and other group companies. The company also acts as a property consultant and project advisor.

### Results

The loss for the year, after taxation, amounted to £512,683 (2017 - profit of £274,942).

### Directors

The directors who served during the year were:

J A Gatley  
G M Inglis (resigned 9 March 2018)  
E J Cannon  
A H Norris (resigned 9 March 2018)  
C R Young (appointed 9 March 2018)

### 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.

# McLaren Property Limited

## Directors' Report (continued) for the Year Ended 31 July 2018

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### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 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.

  
.....  
C R Young  
Director  
Date: 25 JAN 2019

# **McLaren Property Limited**

## **Independent Auditor's Report to the Members of McLaren Property Limited**

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### **Opinion**

We have audited the financial statements of McLaren Property Limited ("the company") for the year ended 31 July 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes and 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 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 31 July 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **McLaren Property Limited**

## **Independent Auditor's Report to the Members of McLaren Property Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

# McLaren Property Limited

## Independent Auditor's Report to the Members of McLaren Property Limited (continued)

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 at 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*

**Geraint Jones** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 25 JAN 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# McLaren Property Limited

## Statement of Comprehensive Income for the Year Ended 31 July 2018

	Note	2018 £	2017 £
Turnover	4	4,570,622	7,321,960
Cost of sales		(39,556)	(1,477,872)
<b>Gross profit</b>		<b>4,531,066</b>	<b>5,844,088</b>
Administrative expenses		(4,845,255)	(6,186,937)
Other operating income	5	365,237	108,452
<b>Operating profit/(loss)</b>	6	<b>51,048</b>	<b>(234,397)</b>
Income from shares in group undertakings		3,989	981,951
Interest receivable and similar income	10	184,065	340,540
Interest payable and similar charges	11	(751,785)	(813,152)
<b>(Loss)/profit before tax</b>		<b>(512,683)</b>	<b>274,942</b>
Tax on (loss)/profit	12	-	-
<b>(Loss)/profit and total comprehensive (loss)/income for the year</b>		<b>(512,683)</b>	<b>274,942</b>

All amounts relate to continuing operations.

The notes on pages 9 to 22 form part of these financial statements.

# McLaren Property Limited


Registered number: 07260814

## Statement of Financial Position as at 31 July 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	13	138,532	156,665
Investments	14	251	752
		<u>138,783</u>	<u>157,417</u>
<b>Current assets</b>			
Stocks	15	24,031	636,810
Debtors	16	18,678,570	18,269,539
Cash and cash equivalents		7,050	1,514,537
		<u>18,709,651</u>	<u>20,420,886</u>
Creditors: amounts falling due within one year	17	(18,749,110)	(19,966,296)
<b>Net current (liabilities)/assets</b>		<u>(39,459)</u>	<u>454,590</u>
<b>Net assets</b>		<u><u>99,324</u></u>	<u><u>612,007</u></u>
<b>Capital and reserves</b>			
Share capital	18	4,400,100	4,400,100
Profit and loss account	19	(4,300,776)	(3,788,093)
		<u><u>99,324</u></u>	<u><u>612,007</u></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:

  
.....  
**C R Young**  
Director

Date: 25 JAN 2019

The notes on pages 9 to 22 form part of these financial statements.

# McLaren Property Limited

## Statement of Changes in Equity for the Year Ended 31 July 2018

	Share capital £	Profit and loss account £	Total equity £
At 1 August 2017	4,400,100	(3,788,093)	612,007
<b>Comprehensive loss for the year</b>			
Loss and total comprehensive loss for the year	-	(512,683)	(512,683)
<b>At 31 July 2018</b>	<b>4,400,100</b>	<b>(4,300,776)</b>	<b>99,324</b>

## Statement of Changes in Equity for the Year Ended 31 July 2017

	Share capital £	Profit and loss account £	Total equity £
At 1 August 2016	4,400,100	(4,063,035)	337,065
<b>Comprehensive income for the year</b>			
Profit and total comprehensive income for the year	-	274,942	274,942
<b>At 31 July 2017</b>	<b>4,400,100</b>	<b>(3,788,093)</b>	<b>612,007</b>

The notes on pages 9 to 22 form part of these financial statements.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

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### 1. General information

McLaren Property Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations and principal activity is set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of McLaren Property Holdings LLP as at 31 July 2018 and these financial statements may be obtained from Leconfield House, 3rd Floor East, Curzon Street, London, W1J 5JA.

#### 2.3 Going concern

The directors prepare financial forecasts and monitor financial performance of the property development and funding on an ongoing basis. From this the directors have reasonable expectation that the company has adequate resources to meet its liabilities as they fall due. The ultimate parent undertaking, McLaren Property Holdings LLP have indicated that they will provide support such that the company can meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The financial statements have therefore been prepared on the going concern basis.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

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### 2. Accounting policies (continued)

#### 2.4 Turnover

Turnover comprises revenue recognised by the company in respect of development advisory and asset management services rendered to other group companies.

Development management fees are recognised evenly as earned over the life of the project up to practical completion of the development.

Rental income received is recognised on an accruals basis.

All turnover is recognised on an accruals basis and exclusive of Value Added Tax.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following bases:

Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### 2.6 Investments in subsidiaries and joint ventures

Investments held as fixed assets are shown at cost less provision for impairment.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

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### 2. Accounting policies (continued)

#### 2.7 Stocks

Stocks of property and development expenditure is included at cost less provision for impairments. Where contracts have been exchanged on the sale of a property it is included at lower of cost and net realisable value. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs including interest specifically attributable to the project whilst under development.

It is the company's policy to make provisions for impairments to reflect the unrecoverable amounts within the stock portfolio at the balance sheet date. The charge to the profit and loss account reflects new provisions made during the year, plus write-offs not previously provided for, less existing provisions no longer required and recoveries of impairments already written off. Specific provisions are made when, in the judgment of management, the recovery of the stock balance is in serious doubt. The amount of the specific provision is intended to cover the difference between the stock balance and the estimated recoverable amount. Stock balances which are subject to a specific provision, and the prospects for recovery do not improve, and if recovery is deemed unrealistic, the amount of stock which is considered to be beyond the prospect of recovery is written off.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. 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.

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.10 Creditors

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

#### 2.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

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### 2. Accounting policies (continued)

#### 2.12 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### 2.13 Operating leases

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

#### 2.14 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.15 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### 2.16 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

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### 2. Accounting policies (continued)

#### 2.17 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or 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 reporting date in the countries where the company operates and generates income.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to carrying amounts of assets and liabilities within the next financial year, are discussed below:

- Tangible fixed assets (see note 13)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Valuation of pre development costs carried as stock

Determining whether the value of the company's pre development costs, carried as stock, should be impaired requires estimations of the net realisable value of the underlying property development projects. The net realisable value calculation requires the entity to estimate the future cash flows expected to arise from the property development project, such as expected selling price and costs to complete and sell. In undertaking these estimates, the directors make reference to market evidence of transaction prices for similar projects. The carrying amount of the pre development costs at the reporting date was £24,031 (2017 - £636,810) with no impairment loss recognised in 2018 or 2017.

- Recoverability of amounts due from group undertakings, joint ventures and other related parties

Provision for impairment of the carrying value of amounts due from group undertakings, joint ventures and other related parties is made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook, based on budgets and forecasts prepared by the management.



# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Development management fees	537,726	1,265,207
Development advisory and asset management services	4,032,896	6,056,753
	<u>4,570,622</u>	<u>7,321,960</u>

### 5. Other operating income

	2018 £	2017 £
Other operating income	300,000	-
Net rents receivable	65,237	108,452
	<u>365,237</u>	<u>108,452</u>

Other income includes introducer and profit share fee income earned in the year.

### 6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	65,332	44,313
Defined contribution pension cost	(3,151)	173,539
Operating lease rentals	400,008	-
Auditor's remuneration	16,320	-
	<u>478,509</u>	<u>217,852</u>

The negative pension costs in the current year arose as a result of reversal of an overprovision from previous years.

### 7. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Management	<u>23</u>	<u>20</u>

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	1,210,681	1,013,217
Company contributions to defined contribution pension schemes	48,641	26,082
	<u>1,259,322</u>	<u>1,039,299</u>

During the year retirement benefits were accruing to 3 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £514,245 (2017 - £434,130).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,855 (2017 - £2,575).

### 9. Income from shares in group undertakings

	2018 £	2017 £
Dividend income	<u>3,989</u>	<u>981,951</u>

### 10. Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group companies	-	120,190
Interest receivable from related parties	170,174	210,075
Other interest receivable	13,891	10,275
	<u>184,065</u>	<u>340,540</u>

### 11. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	15,664	-
Interest payable to group companies	<u>736,121</u>	<u>813,152</u>

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 12. Taxation

	2018 £	2017 £
<b>Current tax</b>		
Current tax on (loss)/profit for the year	-	-
<b>Taxation on (loss)/profit on ordinary activities</b>	-	-

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.67%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(512,683)	274,942
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.67%)	(97,410)	54,081
<b>Effects of:</b>		
Expenses not deductible for tax purposes	38,786	16,726
Unrelieved tax losses carried forward	116,382	122,301
Non-taxable income	(57,758)	(193,108)
<b>Total tax charge for the year</b>	-	-

#### Factors that may affect future tax charges

The company has losses carried forward of £9,258,810 (2017 - £8,533,707). These losses will reduce the tax charge of future years until they are utilised.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 13. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 August 2017	274,359	76,634	350,993
Additions	-	47,199	47,199
At 31 July 2018	274,359	123,833	398,192
<b>Depreciation</b>			
At 1 August 2017	121,906	72,422	194,328
Charge for the year	59,909	5,423	65,332
At 31 July 2018	181,815	77,845	259,660
<b>Net book value</b>			
At 31 July 2018	92,544	45,988	138,532
At 31 July 2017	152,453	4,212	156,665

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 14. Fixed asset investments

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>			
At 1 August 2017	601	151	752
Disposals	(501)	-	(501)
At 31 July 2018	100	151	251
<b>Net book value</b>			
At 31 July 2018	100	151	251
At 31 July 2017	601	151	752

### Subsidiary undertakings

The following were subsidiary and joint venture undertakings of the company during the year:

Name	Class of shares	Holding	Principal activity
McLaren Greenwich Limited	Ordinary	100 %	Property development

### Joint ventures

Name	Class of shares	Holding	Principal activity
McGrove Developments Limited	Ordinary	25%	Property development
McGrove Securities Limited	Ordinary	50%	Intermediate holding company
McLaren Life Clevedon Limited	Ordinary	50%	Property development
McLaren Life Limited	Ordinary	50%	Property development
McLaren PMG (General Partner) Limited	Ordinary	50%	Property development
McLarenPMG Limited Partnership	Ordinary	0.05%	Investments

All subsidiaries and joint ventures are incorporated in the United Kingdom and directly held by the company, except for McGrove Developments Limited which is a 50% joint venture of McGrove Securities Limited and McLaren PMG Limited Partnership which is a 0.1% joint venture of McLaren PMG (General Partner) Limited and McLarenPMG (Cardiff) Limited.

The registered address for all of the above subsidiaries and joint ventures is 3rd Floor East, Leconfield House, Curzon Street, London, W1J 5JA.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 15. Stocks

	2018 £	2017 £
Pre development costs	<u>24,031</u>	<u>636,810</u>

Pre development costs relate to costs incurred on property development projects for the group where development and construction has not yet commenced. When this commences the costs are transferred to the subsidiary completing the project.

The directors consider all pre development costs will be recovered through future development activities of the group.

The amount of stock recognised as an expense during the period was £39,556 (2017 - £1,477,872) and £602,799 (2017 - £Nil) was transferred to fellow subsidiaries of the group.

### 16. Debtors

	2018 £	2017 £
Trade debtors	-	78,762
Amounts owed by group undertakings	8,223,990	8,902,596
Amounts owed by undertakings in which the company has a participating interest	46,633	80,073
Amounts owed by undertakings which the group has a participating interest	22,205	119,126
Directors' current accounts	7,509,598	7,198,764
Other debtors	2,296,877	193,491
Prepayments and accrued income	579,267	1,559,197
Amounts owed by related parties	-	137,530
	<u>18,678,570</u>	<u>18,269,539</u>

All amounts shown under debtors fall due for payment within one year.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	235,542	328,993
Amounts owed to group undertakings	14,898,066	17,201,404
Amounts owed to other participating interests	293,269	-
Corporation tax	2,100,062	-
Other taxation and social security	133,904	78,362
Other creditors	251	155,478
Accruals and deferred income	1,088,016	2,202,059
	<u>18,749,110</u>	<u>19,966,296</u>

### 18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
4,400,100 Ordinary shares of £1 each	<u>4,400,100</u>	<u>4,400,100</u>

### 19. Reserves

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £101,946 (2017 - £173,539). Contributions totalling £38,775 (2017 - £154,726) were payable to the fund at the reporting date.

# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

### 21. Commitments under operating leases

At 31 July 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	424,900	424,900
Later than 1 year and not later than 5 years	1,211,838	1,636,738
	<u>1,636,738</u>	<u>2,061,638</u>

### 22. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

#### *J A Galley (director)*

During the year, the company paid expenses on behalf of J A Galley amounting to £1,313,502 (2017 - £7,371,939), the company made payments to him of £Nil (2017 - £Nil) and J A Galley repaid £1,337,769 (2017 - £2,121,500). After taking into account interest of £170,174 accruing during the year (2017 - £193,889), the total amount payable by J A Galley at 31 July 2018 to the company was £7,323,512 (2017 - £7,177,605).

#### *C R Young (director)*

During the year, the company made loans to C R Young of £73,433 (2017 - £75,679) and accrued interest of £3,755 (2017 - £3,125). C R Young made repayments of £Nil (2017 - £Nil) during the year. At the reporting date the amount due to the company was £186,086 (2017 - £108,898).

#### *G M Inglis (director)*

During the year, G M Inglis resigned as director of McLaren Property Limited. At the reporting date the amount due to the company was £Nil (2017 - £21,159). This comprised a capital amount of £20,000 (2017 - £20,000) and accrued interest of £1,442 (2017 - £1,158). Interest of £283 (2017 - £600) was charged during the year.

#### *A H Norris (director)*

During the year the company made loans to A H Norris of £2,280 (2017 - £2,587). At the reporting date the amount due to the company was £1,150 (2017 - £862), which included a capital amount of £1,150 (2017 - £862) and no accrued interest.

#### *McLaren (Finance 1) Limited (subsidiary of McLaren Property Holdings LLP)*

During the year the company received loans from McLaren (Finance 1) Limited of £3,827,290 (2017 - £21,552,528) and the company made repayments of £6,866,750 (2017 - £5,164,276). At the reporting date the amount owed to McLaren (Finance 1) Limited was £14,898,065 (2017 - £17,201,404). This comprised of a capital amount of £13,348,791 (2017 - £16,388,252) and accrued interest of £1,549,274 (2017 - £813,152). Interest of £736,121 (2017 - £813,152) was charged during the year.



# McLaren Property Limited

## Notes to the Financial Statements for the Year Ended 31 July 2018

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### 22. Related party transactions (continued)

*McLaren Construction (UK) Limited (company under common control)*

During the year sales of £Nil were made by McLaren Construction Limited to McLaren Property Limited (2017 - £Nil). At the balance sheet date the amount due by McLaren Property Limited to the group was £293,269 (2017 - £588,079). No interest has been charged on this balance.

### 23. Controlling party

The company's immediate and ultimate parent undertaking is McLaren Property Holdings LLP, a limited liability partnership incorporated in the United Kingdom, which will be preparing consolidated financial statements for the year ended 31 July 2018 which will be publicly available.

The ultimate controlling party is K R Taylor.