

# **McLaren Construction (Major Projects) Limited**

Annual Report and Financial Statements

Year Ended

31 July 2017

Company Number 09850547

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# McLaren Construction (Major Projects) Limited

## Company Information

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<b>Directors</b>	M Archer P J Pringle
<b>Registered number</b>	09850547
<b>Registered office</b>	McLaren House 100 Kings Road Brentwood Essex United Kingdom CM14 4EA
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **McLaren Construction (Major Projects) Limited**

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# **McLaren Construction (Major Projects) Limited**

## **Strategic Report for the Year Ended 31 July 2017**

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### **McLaren Construction Group**

McLaren Construction Group, comprising McLaren Construction Group plc and its subsidiary companies ("the Group") of which McLaren Construction (Major Projects) Limited ("the Company") is one, is an award-winning contractor with an established reputation for consistent delivery of outstanding projects across all market sectors. We specialise in new build, refurbishment and fit-out projects for major blue-chip customers operating across the UK and in the UAE.

Through ongoing review and improvement, we continue to develop robust and practical procedures, from inception to completion, that focus on delivering high-quality solutions against challenging demands.

We pride ourselves on the high calibre and expertise of our team, and actively encourage creative engineering solutions that meet the complex needs of our customers.

Our success has been achieved through our relationships with our customers, consultants and supply-chain, managed by our excellent project management teams.

### **Business review**

It has proven to be an extremely encouraging year for the Group, delivering strong year on year growth, an increased turnover and achieving an increased profit from operations. The results demonstrate a strong turnaround from the tough trading environment in 2015.

During the previous year, the Group underwent a reorganisation. This involved the creation of five regional construction companies with the intention of enabling the Group to align itself more closely with its customers and focus on key geographical areas whilst maintaining its core values throughout.

The Group created London, South, Midlands & North, Major Projects and International divisions operating under the existing McLaren Construction banner. The reorganisation has proven to be very successful, having been well received by both our customers and our supply chain. The reorganisation has positively contributed to our financial performance in the year.

We have remained fully focused on the quality of service that we provide to our customers whilst enhancing our profile and reputation in key market sectors such as commercial offices, residential, mixed-use, retail, student accommodation, distribution, hotels and leisure. We continue to work successfully with our existing customers, and take great pride in the level of repeat business, whilst securing workload with new blue chip customers.

Nationally, we have witnessed a good level of opportunities during the last year, and have continued to remain selective in terms of those projects that we have targeted and secured.

Internationally, the economic climate in the GCC region during 2016 was relatively tight, resulting in a general slowdown driven by the low oil price. However, the 2020 World Expo in Dubai, coupled with increasing tourism and business in the region, will provide continued and sustainable growth for our UAE business.

# **McLaren Construction (Major Projects) Limited**

## **Strategic Report (continued) for the Year Ended 31 July 2017**

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### **Major Projects**

The Major Projects division has continued building on the Group's excellent reputation for delivery focusing on large complex projects. As recognised in the Industry, McLaren has the skillset and capability to deliver demanding, high value schemes, and this in turn creates further opportunities as other customers call on our expertise.

Projects on site are performing well, with a high rise residential project in Nile Street, London progressing out of the ground, and a mixed-use residential scheme for U&I in Bromley approaching completion in the 2nd quarter of 2018.

The Wembley Framework for Quintain has led to the award of a contract, an £89m PRS project that has started on site. Further schemes are also being delivered under various preconstruction arrangements at Wembley.

Other opportunities awarded include a key position on the Argent Framework, and marketing to customers such as Muse & Anthology will lead to further awards in the future, adding to the growth of the Major Projects division.

### **Future outlook**

There are promising signs that margins are improving across the whole construction industry. We are seeing signs of this within our business, and we are forecasting a profitable outcome for the current year.

Despite negative economic predictions, we have not detected any discernible slowdown in either business or enquiries since Britain voted to leave the European Union. In fact, in those situations where we had anticipated contracts being cancelled or delayed, clients have chosen to proceed, and our market has returned to stability as a result.

We forecast continued growth in turnover whilst remaining selective on the contracts we undertake. We remain focused on our core operating sectors whilst selectively reviewing opportunities in new markets.

Through our continued dedication to the development of our people, coupled with the implementation of our business plan objectives and innovative "can do" culture, we remain fully committed to providing our valued customers with an exceptional level of service and delivery.

We have continued with our colleague retention and recruitment processes to ensure that McLaren Construction is an employer of choice for the most talented colleagues and candidates in the market place.

The outlook for McLaren Construction in the UK and internationally is one of optimism, and following last year's period of consolidation and reorganisation, the business is now strongly positioned to grow and further enhance its position as one of the industry's leading privately owned construction companies.

# McLaren Construction (Major Projects) Limited

## Strategic Report (continued) for the Year Ended 31 July 2017

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### Principal risks and uncertainties

#### *Decline in economy*

The construction industry may be affected by a decline in the economy. The Group's strategy of diversification into new market sectors and customers has protected the Group's financial position.

#### *Financing*

The Company has strong liquidity and cash has increased throughout the year with the cash reserves at the end of the financial year. This level of liquidity has further enhanced the operating capability of the group. It should be noted that the Group has no long-term financing.

#### *Losses on contracts*

Unforeseen losses on construction contracts had a major impact on the Group's financial results in previous years. To safeguard the Group's position, sophisticated enhanced procedures are now in place in relation to estimating, design management and planning procedures. Robust cost controls and detailed periodic management reviews ensure profitability is delivered to budget.

#### *Loss of customers*

The Group's diversification into new sectors, proactive new business development in establishing new customer opportunities and continued focus on maintaining existing customer relationships have strengthened the group's market position against its competitors in a difficult economic environment.

### Corporate social responsibility

#### *Community engagement*

We are committed to having a positive impact in all the work that we do with our colleagues, customers and community stakeholders. We will always conduct our business in an ethical and sustainable way, and support the local communities in which we work.

#### *Safety, health, environment & quality*

At McLaren, the protection of our colleagues, sub-contractors and the public are carefully considered throughout the project lifecycle. Our aim is to provide a working environment that is free from harm by promoting a clear and positive safety culture, ensuring the well-being of all parties involved with our work.

In the UAE, we are targeting obtaining international ISO accreditations in Health, Safety, Environmental and Quality by the end of Q1 2018.

#### *Equality and diversity*

We provide an inclusive working environment based on the principle of equal opportunities, ensuring all applicants and colleagues are treated the same.

#### *Training and development*

This is fundamental to the continued growth of our colleagues within the business. We strive to ensure that our people can develop the knowledge and skills they need to realise their own potential, and thus help us to accomplish our business goals. To that end, there are a significant number of training programmes offered to our colleagues.

#### *Sustainability*

At the heart of McLaren Construction, we recognise the impact that we have on the environment and the long-term benefits of sustainable construction, and always try to minimise our impact on our environment in which we live.

## McLaren Construction (Major Projects) Limited

Strategic Report (continued)  
for the Year Ended 31 July 2017

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### Our values

#### *Integrity*

Our work ethics are consistently governed by truthfulness and honesty.

#### *Innovative and collaborative*

We always work to achieve the best possible solutions working collaboratively between our customers, consultants and project management team.

#### *Agile*

We encourage an environment of quick decision-making to deliver solutions efficiently and successfully.

#### *Customer service*

At McLaren, we believe in building close relationships with our customers through consistently high standards of customer service and exceeding expectations throughout the Group.

#### *Mission statement*

Combine the aspirations, talent and beliefs of McLaren and our people to deliver the common goal of excellence and exceeding expectations repeatedly.

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



.....  
**M Archer**  
Director

Date: 31/01/2018

# **McLaren Construction (Major Projects) Limited**

## **Directors' Report for the Year Ended 31 July 2017**

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The directors present their report and the financial statements for the year ended 31 July 2017.

### **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 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;
- state whether applicable UK 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 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.

### **Results and dividends**

The loss for the year, after taxation, amounted to £1,586,198 (2016 - £1,117,566).

The directors do not recommend the payment of a dividend.

### **Directors**

The directors who served during the year were:

M Archer  
P J Pringle

### **Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 - 4. These matters relate to the principal activity and financial risk.

## McLaren Construction (Major Projects) Limited

### Directors' Report (continued) for the Year Ended 31 July 2017

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#### Disclosure of information to auditor

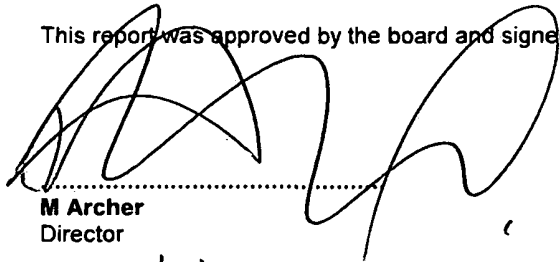
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



M Archer  
Director

Date: 31/01/2018

# **McLaren Construction (Major Projects) Limited**

## **Independent Auditor's report to the members of McLaren Construction (Major Projects) Limited**

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### **Opinion**

We have audited the financial statements of McLaren Construction (Major Projects) Limited ("the company") for the year ended 31 July 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2017 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.

### **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.

# **McLaren Construction (Major Projects) Limited**

## **Independent Auditor's report to the members of McLaren Construction (Major Projects) Limited (continued)**

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### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 and director's 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.

### **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 determines 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.

# McLaren Construction (Major Projects) Limited

## Independent Auditor's report to the members of McLaren Construction (Major Projects) Limited (continued)

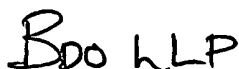
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### Auditor's responsibilities for the audit of the financial statements

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.

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.

BDO LLP

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

Date: 31/01/2018

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

# McLaren Construction (Major Projects) Limited

## Statement of Comprehensive Income for the Year Ended 31 July 2017

		31 July 2017 £	9 months ended 31 July 2016 £
	Note		
Turnover	4	7,926,316	-
Cost of sales		(7,394,253)	-
<b>Gross profit</b>		<b>532,063</b>	<b>-</b>
Administrative expenses		(2,118,261)	(1,117,566)
<b>Operating loss</b>	5	<b>(1,586,198)</b>	<b>(1,117,566)</b>
Tax on loss	6	-	-
<b>Loss for the financial year/period</b>		<b>(1,586,198)</b>	<b>(1,117,566)</b>

There was no other comprehensive income for 2017 (2016 - £NIL).

All amounts relate to continuing operations.

The notes on pages 13 to 18 form part of these financial statements.

# McLaren Construction (Major Projects) Limited

Registered number: 09850547

## Statement of Financial Position as at 31 July 2017

	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	236,268	-
Debtors: amounts falling due within one year	7	8,729,804	3,919,580
		<u>8,966,072</u>	<u>3,919,580</u>
Creditors: amounts falling due within one year	8	(3,669,736)	(37,046)
<b>Net current assets</b>		<u>5,296,336</u>	<u>3,882,534</u>
<b>Total assets less current liabilities</b>		<u>5,296,336</u>	<u>3,882,534</u>
<b>Net assets</b>		<u><u>5,296,336</u></u>	<u><u>3,882,534</u></u>
<b>Capital and reserves</b>			
Share capital	9	3,000,125	125
Share premium account	10	4,999,975	4,999,975
Retained losses	10	(2,703,764)	(1,117,566)
		<u>5,296,336</u>	<u>3,882,534</u>

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

  
M Archer  
Director

Date: 31/01/2018

The notes on pages 13 to 18 form part of these financial statements.

## McLaren Construction (Major Projects) Limited

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

	Share capital £	Share premium account £	Retained losses £	Total equity £
At 1 August 2016	125	4,999,975	(1,117,566)	3,882,534
<b>Comprehensive income for the year</b>				
Loss for the financial year	-	-	(1,586,198)	(1,586,198)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year (see note 9)	3,000,000	-	-	3,000,000
<b>At 31 July 2017</b>	<b>3,000,125</b>	<b>4,999,975</b>	<b>(2,703,764)</b>	<b>5,296,336</b>

### Statement of Changes in Equity for the Period Ended 31 July 2016

	Share capital £	Share premium account £	Retained losses £	Total equity £
<b>Comprehensive income for the period</b>				
Loss for the financial period	-	-	(1,117,566)	(1,117,566)
Shares issued on incorporation (see note 9)	125	4,999,975	-	5,000,100
<b>At 31 July 2016</b>	<b>125</b>	<b>4,999,975</b>	<b>(1,117,566)</b>	<b>3,882,534</b>

The notes on pages 13 to 18 form part of these financial statements.

# McLaren Construction (Major Projects) Limited

## Notes to the Financial Statements for the Year Ended 31 July 2017

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### 1. General information

McLaren Construction (Major Projects) Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is stated on the company information page and the nature of the company's operations and its principal activities is stated in the strategic report.

### 2. Accounting policies

#### 2.1 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 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 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 Construction Limited as at 31 July 2017 and these financial statements may be obtained from The Registrar of Companies, Crown Way, Cardiff.

#### 2.3 Turnover

Turnover represents the value of contracting work executed during the period as measured by quantity surveyors, together with the invoiced value of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

#### 2.4 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.

# McLaren Construction (Major Projects) Limited

## Notes to the Financial Statements for the Year Ended 31 July 2017

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### 2. Accounting policies (continued)

#### 2.5 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.

#### 2.6 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 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.7 Provisions for liabilities

*Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.*

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried into the statement of financial position.

# McLaren Construction (Major Projects) Limited

## Notes to the Financial Statements for the Year Ended 31 July 2017

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

- Long term contracts

Recognition of turnover and profit on long term contracts requires management judgment regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the year end date. Management undertakes detailed reviews on a monthly basis in order to exercise judgment over the outcome of each contract and the associated risks and opportunities.

The value of work completed at the year end date is assessed by undertaking surveys and completing internal valuations on each element of works completed and in progress. Regular management reviews of contract progress include a comparison of internal valuations to the applications for payment made by supply chain partners and to external valuations completed on behalf of clients. Any material variances are investigated and updates made where appropriate.

Consistent procedures and management tools are in place to ensure that estimates are applied and results determined on a consistent basis.

- Recoverability of debtors

The recoverability of debtor balances is uncertain and can depend on a number of factors which may affect repayment conditions and could lead to possible impairment. The group assesses the recoverability of debtors based on historical experience of losses and recognise impairments where there is objective evidence of a loss having incurred, with reference to the financial position and performance of the counterparty amongst other factors.

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

### 5. Operating loss

The operating loss is stated after charging:

	31 July 2017 £	9 months ended 31 July 2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	4,100	4,000

During the year, no director received any emoluments (2016 - £NIL).

The company had no employees during the period. Staff costs are recharged from the company's parent.

# McLaren Construction (Major Projects) Limited

## Notes to the Financial Statements for the Year Ended 31 July 2017

### 6. Taxation

	31 July 2017 £	9 months ended 31 July 2016 £
<b>Total current tax</b>	-	-

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.67% (2016 - 20%). The differences are explained below:

	31 July 2017 £	9 months ended 31 July 2016 £
Loss on ordinary activities before tax	(1,586,198)	(1,117,566)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	(311,938)	(223,513)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	12	22
Group relief	311,926	223,491
<b>Total tax charge for the year/period</b>	-	-

#### Factors that may affect future tax charges

A reduction in the rate from 20% to 19% (effective 1 April 2017) was enacted on 26 October 2015. Further reductions to 17% (effective 1 April 2020) were substantively enacted on 6 September 2016. This will reduce the company's current tax charge accordingly.

# McLaren Construction (Major Projects) Limited

## Notes to the Financial Statements for the Year Ended 31 July 2017

### 7. Debtors

	2017 £	2016 £
<b>Due after more than one year</b>		
Trade debtors	236,268	-
	<u>236,268</u>	<u>-</u>
<b>Due within one year</b>		
Trade debtors	40,000	2,364
Amounts owed by group undertakings	7,723,614	3,916,644
Other debtors	-	489
Prepayments and accrued income	13,860	83
Amounts recoverable on long term contracts	952,330	-
	<u>8,729,804</u>	<u>3,919,580</u>

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

	2017 £	2016 £
Trade creditors	644,077	488
Other creditors	19,522	-
Accruals and deferred income	3,006,137	36,558
	<u>3,669,736</u>	<u>37,046</u>

### 9. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
3,000,125 (2016 - 125) Ordinary shares of £1 each	3,000,125	125
	<u>3,000,125</u>	<u>125</u>

# McLaren Construction (Major Projects) Limited

## Notes to the Financial Statements for the Year Ended 31 July 2017

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### 9. Share capital (continued)

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

On the 9th January 2017 the company issued a further 3,000,000 ordinary shares of £1 each to its immediate parent McLaren Construction Ltd at par.

On incorporation 100 Ordinary £1 shares were issued at par.

On 28th April 2016 25 Ordinary £1 shares were issued for consideration of £200,000 per share.

### 10. Reserves

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Accumulated losses

Accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

### 11. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.1A not to disclose transactions with certain group companies on the grounds that the subsidiaries party to the transactions are wholly owned members of the group.

### 12. Controlling party

The company's immediate parent undertaking is McLaren Construction Limited, a company registered in England and Wales, for which consolidated financial statements for the year have been prepared and filed and are publically available.

The company's ultimate parent undertaking is McLaren Construction Group Plc, a company registered in England and Wales, for which consolidated financial statements for the year have ben prepared and filed and are publically available.

The Group is under the control of Optimus Corporate Services Limited as trustee of the McLaren Construction Limited Employee Trust 2007 who hold the shares of the ultimate parent company for the benefit of K R Taylor, a director of the ultimate parent company, and family.