

McLaren Developments (Manor Place) Limited

Report and Financial Statements

Year Ended

31 July 2017

Company Number 09879662

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McLaren Developments (Manor Place) Limited

Company Information

Directors	G M Inglis J A Gatley
Company secretary	Taylor Wessing Secretaries Limited
Registered number	09879662
Registered office	3rd Floor East Leconfield House Curzon Street London W1J 5JA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

McLaren Developments (Manor Place) Limited

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McLaren Developments (Manor Place) Limited

Directors' Report for the Year Ended 31 July 2017

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 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;
- 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.

Results

The loss for the year, after taxation, amounted to £10,877 (2016 - £132,296).

Directors

The directors who served during the year were:

G M Inglis
J A Gatley

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 Developments (Manor Place) Limited

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

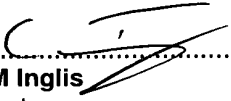
Auditor

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.


.....
G M Inglis
Director

Date: 11/12/17

McLaren Developments (Manor Place) Limited

Independent Auditor's Report to the Members of McLaren Developments (Manor Place) Limited

Opinion

We have audited the financial statements of McLaren Developments (Manor Place) Limited ("the company") for the year ended 31 July 2017 which comprise the statement of comprehensive income, the statement of financial position, the 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 (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.

McLaren Developments (Manor Place) Limited

Independent Auditor's Report to the Members of McLaren Developments (Manor Place) Limited (continued)

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 Developments (Manor Place) Limited

Independent Auditor's Report to the Members of McLaren Developments (Manor Place) Limited (continued)

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

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.



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

Date: 11 December 2017

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

McLaren Developments (Manor Place) Limited

Statement of Comprehensive Income for the Year Ended 31 July 2017

		12 month period ended 31 July 2017 £	9 month period ended 31 July 2016 £
	Note		
Administrative expenses		(11,161)	(161,337)
Loss before tax		(11,161)	(161,337)
Tax on loss	4	284	29,041
Loss and total comprehensive loss for the year		(10,877)	(132,296)

All amounts relate to continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

McLaren Developments (Manor Place) Limited

Registered number: 09879662

Statement of Financial Position as at 31 July 2017

	Note	2017 £	2016 £
Current assets			
Stocks	5	538,394	526,666
Debtors	6	30,625	29,141
Cash and cash equivalents		7,811	31,800
		<u>576,830</u>	<u>587,607</u>
Creditors: amounts falling due within one year	7	(719,903)	(719,803)
Net current liabilities		<u>(143,073)</u>	<u>(132,196)</u>
Net liabilities		<u>(143,073)</u>	<u>(132,196)</u>
Capital and reserves			
Share capital	9	100	100
Profit and loss account	10	(143,173)	(132,296)
		<u>(143,073)</u>	<u>(132,196)</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:

.....
G M Inglis
Director

Date: 11/12/17

The notes on pages 9 to 16 form part of these financial statements.

McLaren Developments (Manor Place) Limited

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

	Share capital £	Profit and loss account £	Total equity £
At 1 August 2016	100	(132,296)	(132,196)
Comprehensive loss for the year			
Loss for the year	-	(10,877)	(10,877)
At 31 July 2017	100	(143,173)	(143,073)

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

	Share capital £	Profit and loss account £	Total equity £
Comprehensive loss for the period			
Loss for the period	-	(132,296)	(132,296)
Contributions by owners			
Shares issued during the period	100	-	100
At 31 July 2016	100	(132,296)	(132,196)

The notes on pages 9 to 16 form part of these financial statements.

McLaren Developments (Manor Place) Limited

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

1. General information

McLaren Developments (Manor Place) 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 are 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'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 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 2017 and these financial statements may be obtained from Leconfield House, 3rd Floor East, Curzon Street, London, W1J 5JA.

2.3 Going concern

The directors monitor financial performance of the property under development and related funding on an ongoing basis and to completion of the development. The directors are satisfied that sufficient funding is in place from the forward funder to complete the development and meet the cost of administrative expenses of the company as they fall due. The financial statements have therefore been prepared on the going concern basis.

McLaren Developments (Manor Place) Limited

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

2. Accounting policies (continued)

2.4 Turnover

Profit on long-term contracts is recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses in reference to stage of completion. Turnover is calculated as that proportion of total contract value which construction costs incurred to date bear to total expected construction costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.5 Stocks of property and development expenditure

Stocks of development expenditure for development properties are included at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads including interest specifically attributable to the project whilst under development. Costs initially capitalised in stock are recognised in the income statement over the life of the development contract on a stage of completion basis.

2.6 Debtors

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

2.7 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.

2.8 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.

2.9 Expenses

Expenses are included on an accruals basis.

2.10 Finance costs

Finance costs which have been incurred as a direct consequence of the Manor Place development have been capitalised as part of development costs of the asset under construction and are subsequently released to the income statement. Finance costs incurred after practical completion or arising on a delay to development are not capitalised and are charged to the income statement in line with accounting policy 2.5.

All other finance costs incurred have been charged to the statement of comprehensive income as appropriate.

McLaren Developments (Manor Place) Limited

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

2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company 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 statement of comprehensive income in the year that the company 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 in the statement of financial position.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting 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.

McLaren Developments (Manor Place) 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

In the opinion of the directors, there are no key judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial year.

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 the carrying amounts of assets and liabilities within the next financial year are discussed below:

Recognition of long-term contracts

Recognition of turnover and profit on the development contract requires management judgement regarding the anticipated final outcome of the contract and of the proportion of works completed at the reporting date. Management undertakes regular detailed reviews in order to exercise judgement over the outcome of the contract and the associated risks and opportunities.

Revenue is recognised in excess of costs incurred to date when it is reasonably certain that a profit will be made on the project. This is based on previous experience of the significant risks attributable to a typical student accommodation development leading up to the intake of students at the commencement of the university terms. Furthermore, revenue is not recognised prior to the commencement of the main building works as the primary development risks associated with the project still remain with the company.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

McLaren Developments (Manor Place) Limited

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

4. Taxation

	12 month period ended 31 July 2017 £	9 month period ended 31 July 2016 £
Current tax		
Current tax on loss for the period	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(2,195)	(32,267)
Effect of changes in tax rates	1,911	3,226
Total deferred tax	(284)	(29,041)
Taxation on loss on ordinary activities	(284)	(29,041)

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 - 20.00%). The differences are explained below:

	12 month period ended 31 July 2017 £	9 month period ended 31 July 2016 £
Profit on ordinary activities before tax	(11,161)	(161,337)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20.00%)	(2,195)	(32,267)
Effects of:		
Tax rate changes	1,911	3,226
Total tax charge for the year/period	(284)	(29,041)

McLaren Developments (Manor Place) Limited

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

5. Stocks

	2017 £	2016 £
Development costs	<u>538,394</u>	<u>526,666</u>

During the prior period, the company purchased the rights to develop a site at Manor Place, Oxford for a total consideration of £1. Additional expenditure was also incurred during the current and prior periods relating to planning and other development costs. The funding of the costs and ability to develop the site is subject to planning permission being obtained by another group entity.

The total finance costs capitalised during the period amounts to £11,729 (2016 - £915), all of which was charged by another group entity.

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	100	100
Other debtors	1,200	-
Deferred taxation	29,325	29,041
	<u>30,625</u>	<u>29,141</u>

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

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	7,482	-
Amounts owed to group undertakings	707,499	717,466
Accruals and deferred income	4,922	2,337
	<u>719,903</u>	<u>719,803</u>

The amounts owed to group undertakings are unsecured and repayable on demand.

McLaren Developments (Manor Place) Limited

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

8. Deferred taxation

	2017 £	2016 £
At beginning of year	29,041	-
Credited to the profit or loss	284	29,041
At end of year	29,325	29,041

The deferred tax asset is made up as follows:

	2017 £	2016 £
Tax losses carried forward	29,325	29,041

9. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

McLaren Developments (Manor Place) Limited

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

10. Reserves

Profit and loss account

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

11. 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.

12. 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 2017 which will be publicly available.

The ultimate controlling party is Optimus Corporate Services Limited in its capacity as Trustee of the McLaren Construction Employee Trust 2007 re Mr Kevin Robert Taylor and Family sub fund.