

**McLaren Developments (Aberdeen)
Limited**

Report and Financial Statements

Period Ended

31 July 2016

Company Number 09879738

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McLaren Developments (Aberdeen) Limited

Company Information

Directors	G M Inglis J A Gatley
Company secretary	Taylor Wessing Secretaries Limited
Registered number	09879738
Registered office	3rd Floor East Leconfield House Curzon Street London W1J 5JA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

McLaren Developments (Aberdeen) Limited

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McLaren Developments (Aberdeen) Limited

Directors' Report for the Period Ended 31 July 2016

The directors present their report and the financial statements for the period ended 31 July 2016.

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 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.

The Company was incorporated on 19 November 2015 and began trading on 5 April 2016.

Directors

The directors who served during the period were:

Huntsmoor Limited (appointed and resigned 19 November 2015)
Huntsmoor Nominees Limited (appointed and resigned 19 November 2015)
R M Bursby (appointed and resigned 19 November 2015)
G M Inglis (appointed 19 November 2015)
J A Gatley (appointed 19 November 2015)

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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 (Aberdeen) Limited

Directors' Report (continued) for the Period Ended 31 July 2016

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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: 29 March 2017

McLaren Developments (Aberdeen) Limited

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

We have audited the financial statements of McLaren Developments (Aberdeen) Limited for the period ended 31 July 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2016 and of its loss for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

McLaren Developments (Aberdeen) Limited

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

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

Date: *29 March 2017*

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

McLaren Developments (Aberdeen) Limited

Statement of Comprehensive Income for the Period Ended 31 July 2016

	Note	9 month period ended 31 July 2016 £
Administrative expenses		(76,893)
Loss on ordinary activities before tax		(76,893)
Tax on loss on ordinary activities	6	13,841
Loss for the financial period		(63,052)
Other comprehensive income for the period		-
Total comprehensive loss for the period		(63,052)

All amounts relate to continuing operations.

The notes on pages 8 to 15 form part of these financial statements.

McLaren Developments (Aberdeen) Limited

Registered number: 09879738

Statement of Financial Position as at 31 July 2016

	Note	£	2016 £
Current assets			
Stocks	7	1,619,033	
Debtors	8	13,941	
Cash at bank and in hand		14,695	
		<u>1,647,669</u>	
Creditors: amounts falling due within one year	9	(1,710,621)	
Net current liabilities			<u>(62,952)</u>
Net liabilities			<u>(62,952)</u>
Capital and reserves			
Called up share capital	11		100
Profit and loss account	12		(63,052)
Shareholders' deficit			<u>(62,952)</u>

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


.....
G M Inglis
Director

Date: 29 March 2017

The notes on pages 8 to 15 form part of these financial statements.

McLaren Developments (Aberdeen) Limited

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive loss for the period			
Loss and total comprehensive loss for the period	-	(63,052)	(63,052)
Contributions by owners			
Shares issued during the period	100	-	100
At 31 July 2016	<u>100</u>	<u>(63,052)</u>	<u>(62,952)</u>

The notes on pages 8 to 15 form part of these financial statements.

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

1. General information

McLaren Developments (Aberdeen) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given 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

These financial statements are the first financial statements of the Company and 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 are the first financial statements of the Company and 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 2016 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.

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.

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

2. Accounting policies (continued)

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 George Street, Aberdeen 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 income statement as appropriate.

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.

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change 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 (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

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.

4. Auditor's remuneration

	9 month period ended 31 July 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	1,664
Fees payable to the Company's auditor and its associates in respect of all other non-audit services	673
	<u>2,337</u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

6. Taxation

	9 month period ended 31 July 2016 £
Current tax	
UK corporation tax on loss for the period	-
Total current tax	-
Deferred tax	
Origination and reversal of timing differences	(15,379)
Effect of changes in tax rates	1,538
Total deferred tax	(13,841)
Taxation on loss on ordinary activities	(13,841)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20.00%. The differences are explained below:

	9 month period ended 31 July 2016 £
Loss on ordinary activities before tax	(76,893)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00%	(15,379)
Effects of:	
Tax rate changes	1,538
Total tax credit for the period	(13,841)

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

6. Taxation (continued)

Factors that may affect future tax charges

Finance (No 2) Act 2015, which was substantively enacted on 26 October 2015 provides a reduction in the main rate of corporation tax from 20% to 19% effectively from 1 April 2017 and to 18% from 1 April 2020. Finance Act 2016, which was substantively enacted on 6 September 2016, provides a further reduction to the main rate of corporation tax to 17% from 1 April 2020. As the further reduction to 17% was substantively enacted after the reporting date of 31 July 2016, the deferred tax balances at this date have been measured at 18%.

7. Stocks

	2016 £
Development costs	1,619,033

During the period, the Company purchased the rights to develop a site at George Street, Aberdeen for a total consideration of £1,416,448. Additional expenditure was also incurred during the period relating to planning and other development costs. Planning permission to develop the site was obtained by another group entity in November 2016 and the Company will develop the site on behalf of the site owner in 2017.

The total finance costs capitalised during the period amounted to £32,585, all of which was charged by another group entity.

8. Debtors

	2016 £
Amounts owed by group undertakings	100
Deferred taxation	13,841
	13,941

All debtors are due within one year.

9. Creditors: Amounts falling due within one year

	2016 £
Amounts owed to group undertakings	1,708,284
Accruals and deferred income	2,337
	1,710,621

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

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

10. Deferred taxation

	2016 £
At beginning of year	-
Credited to the profit or loss	13,841
At end of year	13,841

The deferred tax asset is made up as follows:

	2016 £
Tax losses carried forward	13,841

11. Share capital

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

On incorporation, the Company allotted 100 Ordinary £1 shares at par.

12. Reserves

Profit and loss account

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

13. 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.

McLaren Developments (Aberdeen) Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

14. 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 2016 which will be publicly available. McLaren Property Holdings LLP acquired the entire share capital of the Company from McLaren Property Limited on 5 April 2016. Until this point, the ultimate parent undertaking was McLaren SA, a company registered in Luxembourg which will prepare consolidated financial statements for the year ended 31 July 2016 which will be publicly available.

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