

Registered number: 11011984

MCLAREN PROPERTY (UBS 1) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



MCLAREN PROPERTY (UBS 1) LIMITED

COMPANY INFORMATION

Directors

J A Gatley
C R Young
A Flintoff
N D Spencer

Registered number

11011984

Registered office

3rd Floor East
Leconfield House
Curzon Street
London
W1J 5JA

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

MCLAREN PROPERTY (UBS 1) LIMITED

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MCLAREN PROPERTY (UBS 1) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020

The directors present their report and the financial statements for the year ended 31 July 2020.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make 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 is that of property development.

Results and dividends

The loss for the year, after taxation, amounted to £92,723 (2019 - loss £12,563).

During the year the directors have considered the financial impact of Covid-19 for further detail please see accounting policy note 2.3 Going Concern.

Directors

The directors who served during the year were:

J A Gatley
C R Young
A Flintoff
N D Spencer

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 (UBS 1) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**


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: 28/04/2021

MCLAREN PROPERTY (UBS 1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY (UBS 1) LIMITED

Opinion

We have audited the financial statements of McLaren Property (UBS 1) Limited (the 'company') for the year ended 31 July 2020, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes, 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 2020 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 United Kingdom, including the Financial Reporting Council'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 Directors 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.

MCLAREN PROPERTY (UBS 1) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY (UBS 1) LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

MCLAREN PROPERTY (UBS 1) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY (UBS 1) LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the company's members 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 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

BDO LLP

London

United Kingdom

Date: 28 April 2021

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

MCLAREN PROPERTY (UBS 1) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Turnover	4	41,322	59,215
Cost of sales		(11,497)	(7,936)
Gross profit		29,825	51,279
Administrative expenses		(122,548)	(63,842)
Operating loss		(92,723)	(12,563)
Tax on loss	6	-	-
Loss and total comprehensive loss for the year		(92,723)	(12,563)

All amounts relate to continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

MCLAREN PROPERTY (UBS 1) LIMITED
REGISTERED NUMBER: 11011984

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Current assets			
Stocks	7	6,988,036	6,473,390
Debtors	8	7,944	19,386
Bank and cash balances		5,038	30
		<u>7,001,018</u>	<u>6,492,806</u>
Creditors: amounts falling due within one year	9	<u>(7,138,824)</u>	<u>(6,537,889)</u>
Net current liabilities		(137,806)	(45,083)
Net liabilities		<u>(137,806)</u>	<u>(45,083)</u>
Capital and reserves			
Called up share capital	10	200	200
Profit and loss account	11	<u>(138,006)</u>	<u>(45,283)</u>
		<u>(137,806)</u>	<u>(45,083)</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: 28/04/2021

The notes on pages 9 to 14 form part of these financial statements.

MCLAREN PROPERTY (UBS 1) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital £	Profit and loss account £	Total equity £
At 1 August 2019	200	(45,283)	(45,083)
Comprehensive loss for the year			
Loss for the year	-	(92,723)	(92,723)
At 31 July 2020	200	(138,006)	(137,806)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2019

	Share capital £	Profit and loss account £	Total equity £
At 1 August 2018	200	(32,720)	(32,520)
Comprehensive loss for the year			
Loss for the year	-	(12,563)	(12,563)
At 31 July 2019	200	(45,283)	(45,083)

The notes on pages 9 to 14 form part of these financial statements.

MCLAREN PROPERTY (UBS 1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. General information

McLaren Property (UBS 1) 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 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 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 11.42, 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 2020 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. The directors have also considered the impact of the Covid-19 crisis and their reasonable conclusion is that it will have minimal impact on the company. This is because the company has no third party debt and is doing preliminary development work which can continue during the Covid-19 crisis. The directors expectation is that the company has adequate resources to meet its liabilities as they fall due and the immediate 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 (UBS 1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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.

Where progress billings are in advance of stage of completion the residual creditor is recognised as a payment on account within liabilities and where stage of completion exceeds progress billing an asset is recognised as amounts recoverable on contract within debtors.

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 statement of comprehensive income 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 upper brook street 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 2.4.

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

MCLAREN PROPERTY (UBS 1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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 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:

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 £6,988,036 (2019 - £6,473,390) with no impairment loss recognised in 2020 or 2019.

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

Provision for impairment of the carrying value of investments, 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 or investment and its future outlook, based on budgets and forecasts prepared by management.

MCLAREN PROPERTY (UBS 1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

4. Turnover

The whole of the turnover is attributable to the principal activity and arose within the United Kingdom.

5. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>3,710</u>	<u>3,600</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

6. Taxation

	2020 £	2019 £
Current tax		
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(92,723)</u>	<u>(12,563)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(17,617)	(2,387)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	2,387
Losses	<u>17,617</u>	<u>-</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

MCLAREN PROPERTY (UBS 1) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

7. Stocks

	2020 £	2019 £
Work in progress (goods to be sold)	6,988,036	6,473,390
	<u>6,988,036</u>	<u>6,473,390</u>

The total finance costs capitalised during the period amounted to £459,598 (2019 - £544,276).

The amount of stock recognised as an expense during the period was £Nil (2019 - £Nil).

8. Debtors

	2020 £	2019 £
Trade debtors	3,391	7,200
Amounts owed by joint ventures	3,956	3,956
Other debtors	58	8,230
Prepayments and accrued income	539	-
	<u>7,944</u>	<u>19,386</u>

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

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	53,797	88,950
Amounts owed to joint ventures	7,044,137	6,445,439
Accruals and deferred income	40,890	3,500
	<u>7,138,824</u>	<u>6,537,889</u>

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

MCLAREN PROPERTY (UBS 1) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

10. Share capital

	2020 £	2019 £
Allotted, called up and unpaid		
100 Ordinary A Shares of £1 each	100	100
100 (2019 - 100) Ordinary B Shares of £1 each	100	100
	<hr/>	<hr/>
	200	200
	<hr/>	<hr/>

11. Reserves

Profit and loss account

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

12. Related party transactions

McLaren (Finance 2) Limited (joint venture)

During the year the company received loans from McLaren (Finance 2) Limited of £185,300 (2019 - £136,243), repayments of £46,200 (2019 - £46,900). The amount owed to the company at the reporting date was £5,652,861 (2019 - £5,513,453) and accrued interest of £1,391,276 (2019 - £931,678).

13. Controlling party

The company is deemed to be controlled equally by McLaren (Manchester) Limited and Logik Developments Limited, by virtue of a 50% shareholding by each party.

There is no ultimate controlling party.