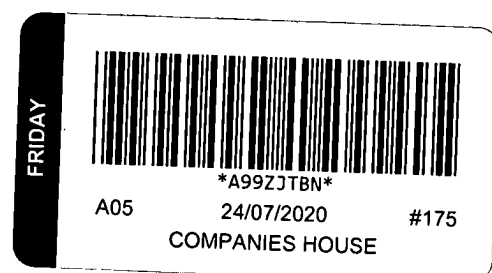


Registered number: 11599411

MCLAREN (THE OAKS 2&3) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2019



MCLAREN (THE OAKS 2&3) LIMITED

COMPANY INFORMATION

Directors	J A Gatley (appointed 2 October 2018) C R Young (appointed 2 October 2018)
Registered number	11599411
Registered office	3rd Floor East Leconfield House Curzon Street London W1J 5JA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

MCLAREN (THE OAKS 2&3) LIMITED

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MCLAREN (THE OAKS 2&3) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

The directors present their report and the financial statements for the period ended 31 July 2019.

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 company was incorporated on 02 October 2018

The principal activity of the company is that of property development.

Results

The loss for the period, after taxation, amounted to £2,580.

Directors

The directors who served during the period were:

J A Gatley (appointed 2 October 2018)

C R Young (appointed 2 October 2018)

Huntsmoor Limited (appointed 2 October 2018, resigned 2 October 2018)

Huntsmoor Nominees Limited (appointed 2 October 2018, resigned 2 October 2018)

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

MCLAREN (THE OAKS 2&3) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Auditor

The auditor, BDO LLP, will be appointed 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: 20/07/20

MCLAREN (THE OAKS 2&3) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MCLAREN (THE OAKS 2&3) LIMITED

Opinion

We have audited the financial statements of McLaren (The Oaks 2&3) Limited (the 'company') for the period ended 31 July 2019, which comprise the income statement, 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 2019 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.

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 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.

MCLAREN (THE OAKS 2&3) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MCLAREN (THE OAKS 2&3) 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 period 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.

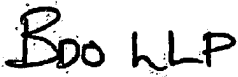
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

MCLAREN (THE OAKS 2&3) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MCLAREN (THE OAKS 2&3) LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Geraint Jones (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 20 July 2020

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

MCLAREN (THE OAKS 2&3) LIMITED

**INCOME STATEMENT
FOR THE PERIOD ENDED 31 JULY 2019**

		10 month period ended 31 July 2019 £
	Note	
Administrative expenses		(2,580)
Operating loss		(2,580)
Tax on loss	5	-
Loss for the financial period		(2,580)

The notes on pages 9 to 13 form part of these financial statements.

All amounts relate to continuing operations.

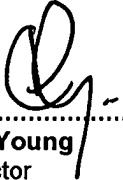
MCLAREN (THE OAKS 2&3) LIMITED
REGISTERED NUMBER: 11599411

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019

	Note	2019 £
Current assets		
Stocks	6	974,730
Debtors	7	85,268
Cash and cash equivalents		74
		<u>1,060,072</u>
Creditors: amounts falling due within one year	8	<u>(1,062,651)</u>
Net current liabilities		(2,579)
Net liabilities		<u>(2,579)</u>
Capital and reserves		
Share capital	9	1
Profit and loss account	10	(2,580)
		<u>(2,579)</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: 20/07/20

The notes on pages 9 to 13 form part of these financial statements.

MCLAREN (THE OAKS 2&3) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2019**

	Share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive loss for the period			
Loss for the period	-	(2,580)	(2,580)
Shares issued during the period	1	-	1
At 31 July 2019	1	(2,580)	(2,579)

MCLAREN (THE OAKS 2&3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

1. General information

McLaren (The Oaks 2&3) 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 11.41(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 2019 and these financial statements may be obtained from Leconfield House, 3rd Floor East, Curzon Street, London, W1J 5JA..

2.3 Going Concern

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

2.4 Stocks

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

MCLAREN (THE OAKS 2&3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.5 Debtors

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

2.6 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.

2.7 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.

2.8 Expenses

Expenses are included on an accruals basis.

2.9 Finance costs

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

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 (THE OAKS 2&3) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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

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

Recoverability of debtors

The recoverability of debtors is assessed based on factors specific to each individual debtor.

Valuation of development property held as stock

Determining whether the value of the company's development property should be impaired requires estimations of the property's net realisable value. The net realisable value calculation requires the entity to estimate the future cash flows expected to arise from the development property, specifically the estimated selling price and anticipated selling costs. In undertaking these estimates, the directors make reference to market evidence of transaction prices for similar properties. The carrying amount of the development property stock at the reporting date was £974,730 with no impairment loss recognised in the year.

4. Auditor's remuneration

**10 month
period
ended
31 July
2019
£**

Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements

2,000

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.

5. Taxation

**10 month
period
ended
31 July
2019
£**

Current tax on profits for the year

-

Total current tax

-

Taxation on profit on ordinary activities

-

MCLAREN (THE OAKS 2&3) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

5. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19% as set out below:

	10 month period ended 31 July 2019 £
(Loss) on ordinary activities before tax	(2,580)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(490)
Effects of:	
Losses	490
Total tax charge for the period	-

6. Stocks

	2019 £
Stocks - assets under construction	974,730

The total finance costs capitalised during the period amounted to £5,102.

7. Debtors

	2019 £
Other debtors	20,002
Other taxation and social security	65,266
	85,268

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

MCLAREN (THE OAKS 2&3) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

8. Creditors: Amounts falling due within one year

	2019 £
Trade creditors	73,519
Amounts owed to group undertakings	865,248
Accruals and deferred income	123,884
	1,062,651

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

9. Share capital

	2019 £
Allotted, called up and unpaid	
1 Ordinary share of £1	1

On incorporation the company allotted 1 Ordinary £1 share at par.

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. Post balance sheet events

On 19 November 2019 the company entered into a development funding agreement to build a purpose built student scheme in Coventry for a maximum consideration of £64,000,000.

On 22 May 2020, the group completed on the purchase of the assignment of lease at Building 2 The Oaks, Coventry for a gross consideration of £7,560,000.

13. 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 2019 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.