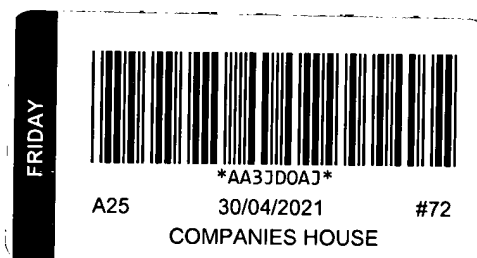


Registered number: 11599411

MCLAREN (THE OAKS 2&3) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020



MCLAREN (THE OAKS 2&3) LIMITED

COMPANY INFORMATION

Directors	J A Gatley C R Young
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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 - 16

MCLAREN (THE OAKS 2&3) 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 of the company is that of property development.

Results

The profit for the year, after taxation, amounted to £4,168,585 (2019 - loss £2,580).

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

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) L
FOR THE YEAR ENDED 31 JULY 2020**

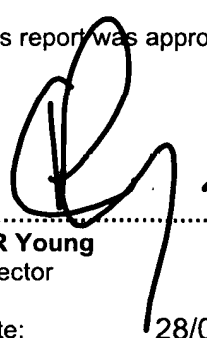
Auditor

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: 28/04/2021

MCLAREN (THE OAKS 2&3) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 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 profit 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 (THE OAKS 2&3) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 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 (THE OAKS 2&3) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN (THE OAKS 2&3) 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, UK

Date: 28 April 2021

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

MCLAREN (THE OAKS 2&3) LIMITED

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

		31 July 2020 £	10 month period ended 31 July 2019 £
	Note		
Turnover	4	13,365,823	-
Cost of sales		(7,908,218)	-
Gross profit		5,457,605	-
Administrative expenses		(296,494)	(2,580)
Operating profit/(loss)		5,161,111	(2,580)
Interest receivable and similar income		806	-
Interest payable and expenses		(16,121)	-
Profit/(loss) before tax		5,145,796	(2,580)
Tax on profit/(loss)	6	(977,211)	-
Profit/(loss) for the financial year		4,168,585	(2,580)

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

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Current assets			
Stocks	7	3,436,124	974,730
Debtors	8	5,682,326	85,268
Bank and cash balances		537	74
		<u>9,118,987</u>	<u>1,060,072</u>
Creditors: amounts falling due within one year	9	<u>(4,952,981)</u>	<u>(1,062,651)</u>
Net current assets/(liabilities)		4,166,006	(2,579)
Net assets/(liabilities)		<u>4,166,006</u>	<u>(2,579)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	4,166,005	(2,580)
		<u>4,166,006</u>	<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: 28/04/2021

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

MCLAREN (THE OAKS 2&3) 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	1	(2,580)	(2,579)
Comprehensive profit for the year			
Profit for the year	-	4,168,585	4,168,585
At 31 July 2020	1	4,166,005	4,166,006

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

**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)

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

MCLAREN (THE OAKS 2&3) LIMITED

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

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 11.42, 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 have had to consider the impact of the Covid-19 and have concluded that it has minimal impact on the company. This is because the company has been able to continue development and construction over the Covid-19 period and having entered into a long-term contract before the Covid-19 crisis it has benefited from having certain cash inflows. It is the directors view that these cash inflows will continue until practical completion of the development. Therefore, it is the director's reasonable expectation that the company has adequate resources to meet its liabilities as they fall due. The financial statements have therefore been prepared on the going concern basis.

MCLAREN (THE OAKS 2&3) 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 development costs incurred to date bear to total expected development 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

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.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Debtors

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

2.9 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.

2.10 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.

2.11 Expenses

Expenses are included on an accruals basis.

2.12 Finance costs

Finance costs are charged to profit or loss 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.

MCLAREN (THE OAKS 2&3) LIMITED

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

2. Accounting policies (continued)

2.13 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.

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 2020

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.

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.

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 £3,436,124.

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.

4. Turnover

	31 July 2020 £	10 month period ended 31 July 2019 £
Development and construction income	2,865,823	-
Land sale income	10,500,000	-
	<u>13,365,823</u>	<u>-</u>

All turnover arose within the United Kingdom.

MCLAREN (THE OAKS 2&3) LIMITED

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

5. Auditor's remuneration

	31 July 2020 £	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	3,500	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.

6. Taxation

	31 July 2020 £	10 month period ended 31 July 2019 £
Corporation tax		
Current tax on profits for the year	977,211	-
Total current tax	977,211	-
Deferred tax		
Origination and reversal of timing differences	490	-
Changes to tax rates	(51)	-
Adjustment in respect of previous periods	(439)	-
Taxation on profit on ordinary activities	977,211	-

MCLAREN (THE OAKS 2&3) LIMITED

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

6. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	31 July 2020 £	10 month period ended 31 July 2019 £
(Loss) on ordinary activities before tax	5,145,796	(2,580)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	977,701	(490)
Effects of:		
Losses	-	490
Adjustments to tax charge in respect of prior periods	(439)	-
Tax rate changes	(51)	-
Total tax charge for the year/period	977,211	-

7. Stocks

	2020 £	2019 £
Stocks - assets under construction	3,436,124	974,730

The total finance costs capitalised during the period amounted to £64,155 (2019 - £5,102).

MCLAREN (THE OAKS 2&3) LIMITED

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

8. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	760,988	-
Other debtors	11,540	20,002
Called up share capital not paid	1	-
Prepayments and accrued income	171,492	-
Amounts recoverable on long term contracts	4,712,790	-
Other taxation and social security	25,515	65,266
	<u>5,682,326</u>	<u>85,268</u>

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

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	1,417,088	-
Trade creditors	490,737	73,519
Amounts owed to group undertakings	1,624,470	865,248
Corporation tax	977,211	-
Accruals and deferred income	443,475	123,884
	<u>4,952,981</u>	<u>1,062,651</u>

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

Other loans is secured by a charge over the assets and bears interest at 6%.

10. Share capital

	2020 £	2019 £
Allotted, called up and unpaid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. Reserves

Profit and loss account

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

MCLAREN (THE OAKS 2&3) LIMITED

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

12. 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.

13. Controlling party

The company's immediate parent 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 2020 which will be publicly available.

The company's ultimate parent undertaking is McLaren Property Holdco Limited, a limited company incorporated in the United Kingdom, which will be preparing consolidated financial statements for the year ended 31 July 2020 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.