

Registered number: 12113746

MCLAREN PROPERTY HOLDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023



MCLAREN PROPERTY HOLDCO LIMITED

COMPANY INFORMATION

Directors	C R Young K R Taylor
Company secretary	Taylor Wessing Secretaries Limited
Registered number	12113746
Registered office	1st & 2nd Floors 61 Curzon Street London W1J 8PD
Independent auditor	MHA Statutory Auditors 6th Floor 2 London Wall Place London United Kingdom EC2Y 5AU

MCLAREN PROPERTY HOLDCO LIMITED

CONTENTS

	Page
Group strategic report	1 - 3
Directors' report	4 - 7
Independent auditor's report	8 - 10
Consolidated statement of comprehensive income	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of changes in equity	14 - 15
Company statement of changes in equity	16
Consolidated statement of cash flows	17 - 18
Notes to the financial statements	19 - 45

MCLAREN PROPERTY HOLDCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Introduction

The Directors present their annual report together with the audited financial statements of McLaren Property Holdco Limited and its subsidiaries ("the Group") for the year ended 31 July 2023. The Group is a property investment and development business. The Group specialises in purpose-built student accommodation ("PBSA"), residential build to rent ("BTR"), residential build to sell ("BTS"), co-living and commercial office space.

Business review and performance

Executive Summary

McLaren Property Holdco Ltd ("the Group") concludes the financial year ending 31 July 2023, reporting a loss of £0.1m (2022 - £6.3m). The net asset value grew during the year from £6.4 million to £15.4 million from group distributions.

Financial Performance

The Group reported a turnover of £40.3m (2022 - £71.9m), generating a gross profit of £13.2m (2022 - £14.9m). While there was a decrease in turnover compared to the previous year, the gross profit remains strong, demonstrating efficient cost management and project profitability.

Operational Highlights

Throughout the year, the Group completed forward-funding for three PBSA developments, of 1,851 beds across Warwick, Nottingham, and Manchester. The Group's commitment to a growing PBSA portfolio is evident in the ongoing construction of 629 beds across two projects in Brighton and Leeds, with planning achieved on a further 156 PBSA beds in Bournemouth.

Development Pipeline

The Group's development pipeline continues to grow, with 2,599 PBSA beds secured across six projects in Exeter, Birmingham, Manchester, Liverpool, Leeds, and Brighton and 189 BTR Units in Birmingham. Additionally, the Group has secured 1,528 BTR units across four projects in Leeds, London, Watford, and Reading.

Diversification and Collaboration

The collaboration between McLaren Property Holdings LLP (PBSA) and McLaren Living Ltd (BTR) further strengthens the Group's ability to capitalise on emerging opportunities, creating a well-rounded and resilient property portfolio. The Group's strategic diversification positions it well for future growth and continued adaptation to the evolving real estate landscape.

MCLAREN PROPERTY HOLDCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Principal risks and uncertainties

UK Economy

The Bank of England's response to inflationary pressures by raising the base rate from 0.1% in December 2021 to 5% in July 2023, has had implications on borrowing costs and financing in the real estate sector. While these macroeconomic shocks have posed challenges, the UK real estate market, including residential and commercial segments, remains resilient. In particular, the property investment and development sectors, such as PBSA and BTR, have shown adaptability and sustained investment. Despite economic uncertainties, the persistent undersupply of housing in key urban centres and evolving preferences in living and working arrangements contribute to the sector's resilience. Investors are closely monitoring the balance between risk and opportunity, and strategic players in the UK real estate sector are positioning themselves to capitalise on emerging trends and navigate changing economic conditions.

Financing

The financing landscape for the PBSA and BTR real estate sectors continue to change. These sectors, characterised by long-term income streams and resilient demand, continue to attract attention from investors and lenders alike. The stability and predictability of rental income in PBSA and BTR still make it an attractive asset class for debt financing and forward funding.

The Group continues to receive support from all its debt providers, and there has been no breach of covenants on any of its debt facilities in the year. For loans approaching maturity, the Group anticipates renewing the facilities with the ongoing support of its lenders.

Financial key performance indicators

Gross Profit

The Group reported an increase in gross profit margin from 33% in FY23 (2022 - 20%). The gross profit underscores the Group's cost management and ability to secure prime development opportunities.

Liquidity

The Group's liquidity position remains strong. The balance sheet reports a current asset position of £27.7m, an increase from the previous year's £12.4m. This improved liquidity position indicates effective financial management, providing the Group with increased flexibility and resources to navigate market challenges and capitalise on emerging opportunities.

MCLAREN PROPERTY HOLDCO LIMITED


**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

Directors' statement of compliance with duty to promote the success of the Group

Section 172 Companies Act 2006 Section 172(1) of the Companies Act 2006 imposes a general duty on every company director to act, in good faith, in the way they consider would be most likely to promote the success of the company for the benefit of its shareholders, while taking into account how the Company's activities and main board decisions will affect its stakeholders. This statement explains how the Board complies with its obligations under s172 is consistent with that disclosed in the consolidated McLaren Property Holdco Limited annual report for the year ended 31 July 2023. The Company recognises the importance of its stakeholders' views and actively engage with them, proactively considering their interests in the decisions it makes. In doing so, they have regard to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

This report was approved by the board and signed on its behalf.


.....
C R Young
Director

Date: 22/01/2024

MCLAREN PROPERTY HOLDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

The directors present their report and the financial statements for the year ended 31 July 2023.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group 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 investment and development.

Results

The loss for the year, after taxation and minority interests, amounted to £135,882 (2022 - profit £6,920,733).

The directors are unable to recommend the payment of a dividend and thus the loss of £135,882 is carried forward (2022 - profit of £6,920,733).

Directors

The directors who served during the year were:

C R Young
K R Taylor

MCLAREN PROPERTY HOLDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Engagement with suppliers

We promote relationships with our suppliers which are fair and we seek to benefit to the communities and environments in which we operate. The directors consider the consequences of all decisions and the environmental impact on the surrounding areas. All developments are in suitable locations and surroundings. We promote responsible building practice. All decisions and matters of strategic importance are informed by these factors and reflected in the strategy, budgets and plans of the Company.

Qualifying third party indemnity provisions

Directors' liability and indemnity insurance was in force throughout the year to cover the directors and officers of the company against actions brought against them in their personal capacities. Cover is not provided where the individual has acted fraudulently or dishonestly.

MCLAREN PROPERTY HOLDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

Greenhouse gas emissions, energy consumption and energy efficiency action

Statement of Carbon Emissions in Compliance with SECR

In adherence to the Streamlined Energy and Carbon Reporting (SECR), McLaren is committed to transparently disclosing our carbon emissions, energy consumption, and energy efficiency actions. This encompasses a comprehensive overview of energy use, associated greenhouse gas emissions electricity, intensity ratios, and information pertaining to our ongoing energy efficiency initiatives.

Report

The below figures represent the total energy consumed under Scope 2 from the Group's 223,667 Sqft combined portfolio of owned sites and offices in the following entities:

- McLaren Property Limited
- McLaren Living Limited
- McLaren (Ebor Court) Limited
- McLaren (34 Lisbon Street) Limited
- Golden Apple Limited
- Abbey Lodge Limited

	2023	2022
Total energy use covering electricity and gas (kWh)	160,313	334,803
Total gross emissions (in tonnes of CO2 equivalent)	33.40	70.80
Intensity ratio (electricity and gas usage in kWh/Sqft/annum)	0.72	1.50

The Group currently has no Scope 1 energy consumption to disclose.

Energy Efficiency Actions

At McLaren, we take great pride in the transformative impact of our work on people's lives. Our commitment to sustainability is woven into the fabric of our operations and projects. Central to this commitment is our bespoke Sustainability Project Delivery Guide, a dynamic tool rooted in global industry standards and guidance. This guide empowers our project teams, including architects and engineers, to seamlessly integrate sustainability into every facet of our projects.

Continuously evolving to stay ahead of industry advancements, the Delivery Guide is a practical resource ensuring alignment with UK regulatory frameworks and CIBSE guidance. Compliance is not merely a checkbox; it's a continual stride towards fostering a more sustainable built environment.

McLaren actively contributes to low-carbon solutions, emphasizing energy and water-efficient building design. Our approach involves the implementation of on-site renewable energy solutions and the promotion of sustainable land use, thereby fostering biodiversity within project sites and their surrounding areas.

Methodology for Calculation

This report adheres to the GHG Reporting Protocol – Corporate Standard and follows the 2019 HM Government Environmental Reporting Guidelines. Carbon equivalent calculations are based on the latest UK Government DEFRA greenhouse gas reporting conversion factors for 2023, ensuring accuracy and reliability in our emissions disclosures.

MCLAREN PROPERTY HOLDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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 and the Group'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 and the Group's auditor is aware of that information.

Post balance sheet events

On 02 August 2023 the Group completed on the land purchase of Springfield House, Leeds for a total consideration of £7,800,000.

On 18 September 2023 the Group sold its option on the land at St Cuthberts Way, Darlington for a total consideration of £6,594,689.

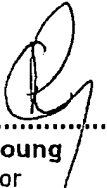
On 03 October 2023 the company purchased the land and buildings at Unit 6 Lisbon Square, Leeds for a total consideration of £1,050,000.

On 25 October 2023 the Group purchased the land at Water Lane, Leeds for a total consideration of £6,060,000. The purchase was financed by a £4,360,000 debt facility with CBRE IA, which is repayable 25 July 2024.

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

This report was approved by the board and signed on its behalf.


.....
C R Young
Director

Date: 22/01/2024

MCLAREN PROPERTY HOLDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY HOLDCO LIMITED

Opinion

We have audited the financial statements of McLaren Property Holdco Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 July 2023, which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated statement of cash flows, the consolidated and company 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 Group's and of the parent company's affairs as at 31 July 2023 and of the Group's 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 Group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

MCLAREN PROPERTY HOLDCO LIMITED

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

MCLAREN PROPERTY HOLDCO LIMITED

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

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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

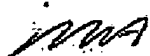
- Obtaining an understanding of the legal and regulatory frameworks that the company operates in;
- Reviewing key correspondence with regulatory authorities;
- Testing for evidence of management override;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Enquiry of management around actual and potential litigation and claims;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Discussing among the engagement team regarding how and where fraud might occur.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Atul Kariya FCCA (Senior statutory auditor)

for and on behalf of
MHA

Statutory Auditors
London
United Kingdom

Date: 25.01.2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

MCLAREN PROPERTY HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2023**

	Note	2023 £	2022 £
Turnover	4	40,335,254	71,969,140
Cost of sales		(27,150,360)	(57,094,385)
Gross profit		13,184,894	14,874,755
Administrative expenses		(11,834,283)	(10,466,771)
Other operating income	5	207,500	8,642,272
Fair value movements	15	4,446,948	120,644
Amortisation of goodwill	12	(464,145)	-
Operating profit	6	5,540,914	13,170,900
Share of profit of joint venture	14	(238,060)	(396,499)
Total operating profit		5,302,854	12,774,401
Loss on disposal of investment property	15	(98,832)	(848,546)
Interest receivable and similar income	9	259,826	908,504
Interest payable and similar expenses	10	(3,881,907)	(4,101,458)
Profit before taxation		1,581,941	8,732,901
Tax on profit	11	(1,717,823)	(1,812,168)
(Loss)/profit for the financial year		(135,882)	6,920,733
(Loss)/profit for the year attributable to:			
Non-controlling interests		1,309,994	536,200
Owners of the parent company		(1,445,876)	6,384,533
		(135,882)	6,920,733
Total comprehensive income for the year attributable to:			
Non-controlling interest		1,309,994	536,200
Owners of the parent company		(1,445,876)	6,384,533
		(135,882)	6,920,733

There was no other comprehensive income for 2023 (2022:£NIL).


The notes on pages 19 to 45 form part of these financial statements.

MCLAREN PROPERTY HOLDCO LIMITED
REGISTERED NUMBER: 12113746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible fixed assets	12	1,856,582	2,320,727
Tangible fixed assets	13	1,745,932	155,806
Fixed asset investments	14	50	214,862
Investment property	15	33,100,000	15,350,000
		<u>36,702,564</u>	<u>18,041,395</u>
Current assets			
Stocks	16	56,942,019	38,492,971
Debtors	17	32,283,044	25,954,972
Cash at bank and in hand	18	12,215,900	5,248,975
		<u>101,440,963</u>	<u>69,696,918</u>
Creditors: amounts falling due within one year	19	<u>(73,700,744)</u>	<u>(57,317,845)</u>
Net current assets		<u>27,740,219</u>	<u>12,379,073</u>
Total assets less current liabilities		<u>64,442,783</u>	<u>30,420,468</u>
Creditors: amounts falling due after more than one year	20	(49,027,609)	(24,004,861)
Net assets		<u><u>15,415,174</u></u>	<u><u>6,415,607</u></u>
Capital and reserves			
Called up share capital	27	1,000	1,000
Other reserves	28	4,984,680	(1,805,320)
Merger reserve	28	17,996,440	17,996,440
Profit and loss account	28	(10,059,398)	(8,613,522)
Equity attributable to owners of the parent company		<u>12,922,722</u>	<u>7,578,598</u>
Non-controlling interests	28	2,492,452	(1,162,991)
		<u><u>15,415,174</u></u>	<u><u>6,415,607</u></u>

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


.....
C R Young
Director

Date: 22/01/2024

The notes on pages 19 to 45 form part of these financial statements.

MCLAREN PROPERTY HOLDCO LIMITED
REGISTERED NUMBER: 12113746

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	14	16,565,690	24,651,232
		<u>16,565,690</u>	<u>24,651,232</u>
Current assets			
Debtors	17	255,791	8,445,595
Cash at bank and in hand	18	591	747
		<u>256,382</u>	<u>8,446,342</u>
Creditors: amounts falling due within one year	19	(4,102,652)	(22,016,227)
Net current liabilities		<u>(3,846,270)</u>	<u>(13,569,885)</u>
Net assets		<u><u>12,719,420</u></u>	<u><u>11,081,347</u></u>
Capital and reserves			
Called up share capital	27	1,000	1,000
Other reserves	28	7,347,125	-
Profit and loss account		5,371,295	11,080,347
		<u><u>12,719,420</u></u>	<u><u>11,081,347</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £5,709,051 (2022 - profit of £7,215,236).

The financial statements were approved and authorised for issue by the members and were signed on their behalf by

.....
C R Young
 Director

Date: 22/01/2024

The notes on pages 19 to 45 form part of these financial statements.

MCLAREN PROPERTY HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

	Share capital	Other reserves	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 August 2022	1,000	(1,805,320)	17,996,440	(8,613,522)	7,578,598	(1,162,991)	6,415,607
Loss for the year	-	-	-	(1,445,876)	(1,445,876)	1,309,994	(135,882)
Distributions made in the year	-	-	-	-	-	(3,564,551)	(3,564,551)
Capital allocated in the year	-	6,790,000	-	-	6,790,000	5,910,000	12,700,000
At 31 July 2023	1,000	4,984,680	17,996,440	(10,059,398)	12,922,722	2,492,452	15,415,174

MCLAREN PROPERTY HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022**

	Share capital	Other reserves	Merger reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 August 2021	1,000	7,755,996	17,996,440	(14,998,055)	10,755,381	4,582,880	15,338,261
Comprehensive income for the year							
Profit for the year	-	-	-	6,384,533	6,384,533	536,200	6,920,733
Capital contribution in the year	-	4,700,000	-	-	4,700,000	39,200	4,739,200
Capital contribution from loan waived by related party	-	1,188,548	-	-	1,188,548	-	1,188,548
Distributions made in the year	-	(15,193,986)	-	-	(15,193,986)	(6,577,149)	(21,771,135)
Transfer between reserves	-	(255,878)	-	-	(255,878)	255,878	-
At 31 July 2022	1,000	(1,805,320)	17,996,440	(8,613,522)	7,578,598	(1,162,991)	6,415,607

The notes on pages 19 to 45 form part of these financial statements.

MCLAREN PROPERTY HOLDCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2023**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2022	1,000	-	11,080,347	11,081,347
Comprehensive loss for the year				
Loss for the year	-	-	(5,709,052)	(5,709,052)
Capital allocated in the year	-	6,790,000	-	6,790,000
Return of capital in the year	-	557,125	-	557,125
At 31 July 2023	1,000	7,347,125	5,371,295	12,719,420

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2021	1,000	3,865,111	3,866,111
Comprehensive income for the year			
Profit for the year	-	7,215,236	7,215,236
At 31 July 2022	1,000	11,080,347	11,081,347

The notes on pages 19 to 45 form part of these financial statements.

MCLAREN PROPERTY HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	(135,882)	6,920,733
Adjustments for:		
Depreciation of tangible assets	142,767	35,340
Interest charged to the income statement	3,881,907	4,101,458
Interest credited to the income statement	(259,826)	(908,504)
Taxation charge	1,717,823	1,812,168
(Increase) in stocks	(18,449,049)	(21,104,743)
(Increase)/decrease in debtors	(6,384,898)	9,831,254
Increase/(decrease) in creditors	24,805,455	(4,369,415)
Share of operating profit in joint ventures	238,060	396,499
Corporation tax (paid)	(2,635,095)	(3,648,185)
Loss on disposal of investment property	98,832	848,546
Amortisation of goodwill	464,145	-
Changes in the fair value of investment property (gains)	(4,446,947)	(120,644)
Foreign exchange loss/(gain)	237,978	(129,533)
Net cash generated from operating activities	(724,730)	(6,335,026)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(2,320,727)
Purchase of tangible fixed assets	(1,732,894)	(120,257)
Capital expenditure on development of investment properties	(15,103,052)	(2,116,365)
Sale of investment properties	1,800,000	54,241,662
Sale of share in joint ventures	(23,249)	-
Interest received	181,290	26,161
Joint ventures interest received	-	745,005
Dividends received	-	8,400,866
Dividends received from joint ventures	207,500	175,000
Net cash from investing activities	(14,670,405)	59,031,345

MCLAREN PROPERTY HOLDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2023**

	2023	2022
	£	£
Cash flows from financing activities		
New secured loans	4,082,909	4,000,000
Repayment of loans	(715,000)	(27,940,201)
Other new loans	12,679,545	(4,714,542)
Interest paid	(2,307,563)	(3,070,849)
Dividends paid to non-controlling interests	-	1,188,548
Members' capital contributed	12,700,000	4,739,200
Capital distributions	(3,564,551)	(21,771,134)
Arrangement fees paid	(513,280)	-
Net cash used in financing activities	22,362,060	(47,568,978)
Net increase in cash and cash equivalents	6,966,925	5,127,341
Cash and cash equivalents at beginning of year	5,248,975	121,634
Cash and cash equivalents at the end of year	12,215,900	5,248,975
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,215,900	5,248,975
	12,215,900	5,248,975

The notes on pages 19 to 45 form part of these financial statements.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

1. General information

McLaren Property Holdco Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006, with registration number 12113746. 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent *company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent *company*;
- Disclosures in respect of the parent *company's* financial instruments have not been presented as equivalent disclosures have been provided in respect of the company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *company* as their remuneration is included in the totals for the company as a whole.

The financial statements are provided in £ sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

McLaren Property Holdco Limited was incorporated to enter into a share for share exchange with McLaren Construction Employee Trust 2007 re Mr Kevin Robert Taylor and Family sub fund ("the Trust") for its membership of McLaren Property Holdings Limited Liability Partnership ("LLP") and to form a new residential arm of the Group. The Trust remains the controlling party of the Group. On 7 January 2020 McLaren Property Holdco Limited purchased the Trust's interest in the LLP for a total consideration of £20.6m.

In reviewing the scope of the group reconstruction, the directors have determined that these consolidated financial statements will be prepared by applying merger accounting, in compliance with the criteria specified by FRS 102 section 19 Business Combinations and Goodwill.

In applying merger accounting when preparing these Consolidated Financial Statements, to the extent the carrying value of the assets and liabilities acquired under merger accounting is different to the cost of investment, the difference is recorded in equity within the merger reserve. Under merger accounting the results of the Group entities are combined from the beginning of the comparative period before the merger occurred. Comparatives are restated on a combined basis and adjustments made as necessary to achieve consistency of accounting principles.

2.3 Going concern

The directors prepare financial forecasts and monitor performance of the Group on an ongoing basis and have prepared a financial projection for the Group for a period of 12 months from the date of approval of these financial statements.

The Group continues to receive support from all its debt facility lenders, and there has been no breach of covenants on any of its debt facilities. For loans approaching maturity, the Group anticipates renewing the facilities with the ongoing support of its lenders.

On this basis, the directors have reasonable expectation that the Group has adequate funding and resources to meet its obligations as they fall due for at least 12 months from the date of approval of these financial statements and accordingly the directors have prepared the financial statements on the going concern basis

2.4 Business combinations

The Group acquires subsidiaries that own stock. At the time of acquisition, the Group considers whether each acquisition represent the acquisition of a business or acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the stock that are capable of being conducted and managed for the purpose of providing a return. Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather the cost to acquire the corporate entity is allocated to the stock held by the entity, accordingly no goodwill or bargain purchase arises.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.5 Joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the joint venture. The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated statement of financial position, the interests in joint ventures are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.6 Turnover

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.

Development management fees are recognised evenly as earned over the life of the project up to practical completion of the development.

Rental income is recognised on an accruals basis. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date. Lease incentive payments are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Revenue on sale of property is recognised on legal completion and revenue on the sale of land is recognised on the date that the contract for sale becomes unconditional.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	10%
Fixtures and fittings	-	25%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Investment property

Property and related development expenditure is included at cost within fixed assets - investment property under construction. Cost includes all directly attributable costs and an appropriate proportion of fixed and variable overheads including interest, which are directly attributable to the project under development. Investment properties under construction are valued at fair value at the reporting date and any changes in fair value are recognised in the income statement.

On practical completion, the property will be transferred to investment property. Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the income statement.

2.10 Investments in subsidiaries and investments in joint ventures

Investments are measured at cost less accumulated impairment.

At each reporting date, investments are assessed for impairment. If investments are impaired, the carrying amount is reduced and the impairment loss is recognised immediately in the profit or loss.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.11 Stocks of property and development expenditure

Stocks of property and related development expenditure are included at the lower of cost and estimated 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. Costs initially capitalised in stock are recognised in the income statement over the life of the development contract on a stage of completion basis.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.14 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.14 Financial instruments (continued)

where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

2.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.17 Finance costs

Finance costs are recognised 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.

Finance costs which have been incurred as a direct consequence of the construction of the development properties are capitalised as part of the development costs of the assets under construction, within investment properties under construction or stocks depending upon the classification of the underlying asset and are subsequently released to the income statement as appropriate. 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 policies 2.8 and 2.10

All other finance costs are charged to the income statement as appropriate

2.18 Operating leases: the Group as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.19 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.20 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.21 Interest income

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

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

2. Accounting policies (continued)

2.22 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting, 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.24 Other reserves classified as equity

Other reserves represent cumulative profits and losses, net of distributions paid and other adjustments.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

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 key judgements:

Fixed assets - investment property

The investment properties (including those under construction) are valued using an income approach or discounted cash flow. The key inputs into the valuation of the properties at 31 July 2023 are the forecast completed valuation and total expected construction and development costs. The resulting forecast profit is adjusted for remaining construction and development risk.

Investment properties (including those under construction) must be assessed by the directors of the entities holding the assets as to whether the fair value is reflective of the costs incurred to date.

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 property held as stock

Determining whether the value of the Group's development properties should be impaired requires estimations of the net realisable value of the properties. The net realisable value calculation requires estimation of the future cash flows expected to arise from the development properties and other capitalised stock, specifically the estimated selling price and anticipated selling costs. In undertaking these estimates, the directors of the entities holding the relevant properties make reference to market evidence of transaction prices for similar properties.

Recognition of turnover and profit on long-term contracts

Recognition of turnover and profit on development contracts requires management judgement regarding the anticipated final outcome of the contracts 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 contracts and the associated risks and opportunities.

Turnover is recognised in excess of costs incurred to date when the project is at least 50% complete. This is based on previous experience of the significant risks attributable to a typical student accommodation development leading up to intake of students at the commencement of the university terms. Furthermore, turnover is not recognised prior to the commencement of the main building works as the primary development risks associated with the projects still remain with the Group.

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.

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

Provision for impairment of the carrying value of amounts due from and investments in 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 and its future outlook, based on budgets and forecasts prepared by the management.

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

3. Judgements in applying accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values or Joint Venture partners.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Property development	40,149,590	69,035,991
Development management fees	-	15,000
Rental income	185,664	2,918,148
	<u>40,335,254</u>	<u>71,969,139</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Dividends received from Group companies	207,500	8,642,272
	<u>207,500</u>	<u>8,642,272</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	142,767	35,340
Exchange differences	237,978	(129,533)
Other operating lease rentals	519,685	489,567
	<u>519,685</u>	<u>489,567</u>

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

7. Auditor's remuneration

During the year, the Group obtained the following services from the company's auditor:

	2023 £	2022 £
Fees payable to the Groups's auditor and its associates for the audit of the Groups annual financial statements	10,000	3,000
Fees payable to the Groups's auditor in respect of: the audit of the subsidiary financial statements	202,500	117,000

8. Employees

Staff costs were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Staff salaries	6,091,313	5,800,103	-	-
Staff national insurance	919,710	777,983	-	-
Cost of defined contribution scheme	241,357	234,255	-	-
	<u>7,252,380</u>	<u>6,812,341</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Management	20	21
Legal	2	1
Administration	4	2
Finance	4	4
	<u>30</u>	<u>28</u>

The company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL).

The directors are the Key Management Personnel of the company.

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

9. Interest receivable

	2023 £	2022 £
Joint ventures' interest receivable	-	820,441
Other interest receivable	259,826	88,063
	<u>259,826</u>	<u>908,504</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	679,306	1,887,655
Other loan interest payable	1,127,260	913,329
Interest payable to related parties	1,825,821	1,211,798
Other interest payable	249,520	88,676
	<u>3,881,907</u>	<u>4,101,458</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	1,722,552	1,621,761
Adjustments in respect of previous periods	-	(171,331)
Total current tax	<u>1,722,552</u>	<u>1,450,430</u>
Deferred tax		
Origination and reversal of timing differences	68,658	275,945
Changes to tax rates	13,056	87,141
Adjustment in respect of previous periods	(86,443)	(1,348)
Total deferred tax	<u>(4,729)</u>	<u>361,738</u>
Taxation on profit on ordinary activities	<u>1,717,823</u>	<u>1,812,168</u>

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 21.01% (2022 - 19.00%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	9,118,794	8,732,900
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.01% (2022 - 19.00%)	1,961,500	1,659,251
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	59,936	315,828
Net utilisation of tax losses and losses not recognised for deferred tax purposes	473,549	678,138
Adjustments to tax charge in respect of prior periods	1,256,063	(71,615)
Non-taxable income	(476,700)	(1,671,144)
Tax rate changes	13,055	87,141
Transfer pricing	(74,172)	-
Losses extinguished on cessation	(1,590,977)	-
Post cessation expenses	29,531	-
Taxable gain on disposal of properties	-	827,942
Effects of other reliefs	2,986	4,808
Share from partnership	-	(18,181)
Gain/rollover relief	63,052	-
Total tax charge for the year	1,717,823	1,812,168

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and has taken effect from 1 April 2023 for profits over £250,000. For profits under £50,000 the tax rate will remain the same at 19% and for profits between these figures it will be subject to 25% but reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

12. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 August 2022	2,320,727
At 31 July 2023	2,320,727
Amortisation	
Charge for the year on owned assets	464,145
At 31 July 2023	464,145
Net book value	
At 31 July 2023	1,856,582
At 31 July 2022	2,320,727

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

13. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 August 2022	120,256	305,421	143,034	568,711
Additions	1,651,224	68,246	13,423	1,732,893
At 31 July 2023	<u>1,771,480</u>	<u>373,667</u>	<u>156,457</u>	<u>2,301,604</u>
Depreciation				
At 1 August 2022	655	291,192	121,059	412,906
Charge for the year on owned assets	110,125	25,853	6,789	142,767
At 31 July 2023	<u>110,780</u>	<u>317,045</u>	<u>127,848</u>	<u>555,673</u>
Net book value				
At 31 July 2023	<u>1,660,700</u>	<u>56,622</u>	<u>28,609</u>	<u>1,745,931</u>
At 31 July 2022	<u>119,601</u>	<u>14,230</u>	<u>21,975</u>	<u>155,806</u>

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Short leasehold	1,660,700	119,601
	<u>1,660,700</u>	<u>119,601</u>

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

14. Fixed asset investments

Group

	Investment in joint ventures £
Cost or valuation	
At 1 August 2022	214,862
Disposals	(100)
Amounts written off	23,348
Share of profit/(loss)	(238,060)
	<hr/>
At 31 July 2023	50
Net book value	
At 31 July 2023	50
	<hr/> <hr/>
At 31 July 2022	214,862
	<hr/> <hr/>

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2022	24,651,232
Disposals	(2,700,100)
	<hr/>
At 31 July 2023	21,951,132
Impairment	
Charge for the period	5,385,442
	<hr/>
At 31 July 2023	5,385,442
	<hr/> <hr/>
Net book value	
At 31 July 2023	16,565,690
	<hr/> <hr/>
At 31 July 2022	24,651,232
	<hr/> <hr/>

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

14. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Registered office	Principal activity	Holding
McLaren Living Ltd	UK	Development manager	100%
McLaren Property Holdings Limited Liability Partnership	UK	Property investment	100%
Chiswell Housing Ltd	UK	Development manager	100%
McLaren Construction (Ventures) Limited	UK	Property investment	100%

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

14. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Registered office	Principal activity	Holding
McLaren Property Limited	UK	Development manager	100%
McLaren Developments (106 Lewes Road) Limited	UK	Property development	100%
McLaren Developments (119 Lewes Road) Limited	UK	Property development	100%
McLaren Developments (Moulsecroomb Way) Limited	UK	Property development	100%
McLaren Developments (The Oaks 2&3) Limited	UK	Property development	100%
McLaren (York) Limited	Isle of Man	Property investment	100%
Golden Apple Limited	Isle of Man	Property investment	100%
McLaren (Finance 1) Limited	UK	Financing	100%
McLaren (Finance 2) Limited	UK	Financing	100%
McLaren (Holdings 1) Limited	Isle of Man	Investment holding company	100%
McLaren (London Road) Limited	UK	Property development	100%
Abbey Lodge Limited	Isle of Man	Property investment	100%
McLaren (Meadow Court) Limited	Isle of Man	Property investment	100%
McLaren (Moulsecroomb Way) Limited	Isle of Man	Property investment	100%
McLaren (The Oaks) Limited	Isle of Man	Property investment	100%
McLaren (Southampton) Limited	Isle of Man	Property investment	100%
McLaren Property (UK) 2 Limited	UK	Property development	100%
McLaren (Manchester) Limited	UK	Investment holding company	100%
McLaren Property (Manchester Tai Pan) Limited	UK	Investment holding company	100%
McLaren (Dundee) Limited	Isle of Man	Property investment	100%
McLaren Property (UK) 3 Limited	UK	Property development	100%
McLaren (The Oaks 2&3) Limited	UK	Property development	100%
McLaren (The Oaks Site Office) Limited	UK	Property investment	100%
McLaren Property (Nottingham) Ltd	UK	Property development	100%
Leonardo Leeds Limited	UK	Property development	100%
McLaren (Torwood Close) Ltd	UK	Property development	100%
McLaren (St Gabriels) Ltd	UK	Property development	100%
McLaren (Hanworth Road) Ltd	UK	Property development	100%
McLaren (Water Lane) Ltd	UK	Property development	100%
McLaren (Wellington Square) Ltd	UK	Property development	100%
Joshua Properties Limited	UK	Intermediate holding company	50%
Evala Limited	UK	Property development	50%

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

14. Fixed asset investments (continued)

Indirect subsidiary undertakings (continued)

All shares held are ordinary shares.

The registered address for all the companies incorporated in the Isle of Man 19-21 Circular Road, Douglas, Isle of Man, IM1 1AF

The registered address for Joshua Properties Limited and Evala Limited is 23 Spring Street, London, W2 1JA.

The registered address for all the other companies incorporated in the UK is 1st & 2nd floors, 61 Curzon Street, London, W1J 8PD.

15. Investment property

Group

	Freehold investment property £
Valuation	
At 1 August 2022	15,350,000
Additions at cost	15,103,052
Disposals	(1,800,000)
Surplus on revaluation	4,446,948
At 31 July 2023	33,100,000

The investment properties were valued by the directors at the balance sheet date.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £	2022 £
Historic cost	31,835,552	13,568,456

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

16. Stocks

	Group 2023 £	Group 2022 £
Development assets	56,942,019	38,492,971
	<u>56,942,019</u>	<u>38,492,971</u>

Development assets include the acquisition of assets and costs incurred on future property development projects for the Group. The members consider all development assets will be recovered through future development activities of the Group and their eventual profitable disposal. The amount of stock recognised as an expense during the year in respect of aborted costs written off was £375,950 (2022 - £225,813). The amount of stock recognised as an expense during the year in respect of development costs was £26,774,410 (2022 - £55,635,148).

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	378,020	72,039	-	-
Amounts owed by joint ventures	-	130,115	-	-
Amounts owed by other participating interests	6,935,962	14,801,407	156,445	8,444,595
Other debtors	1,354,222	1,631,432	-	-
Called up share capital not paid	1,001	1,000	1,000	1,000
Prepayments and accrued income	2,141,469	1,290,763	98,346	-
Amounts recoverable on long-term contracts	19,053,182	6,550,179	-	-
Other taxation and social security	2,004,048	161,444	-	-
Deferred taxation	260,463	255,734	-	-
Corporation tax recoverable	154,677	1,060,859	-	-
	<u>32,283,044</u>	<u>25,954,972</u>	<u>255,791</u>	<u>8,445,595</u>

Deferred taxation balances of £260,463 (2022 - £255,734) are due after more than one year.

18. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	12,215,900	5,248,975	591	747
	<u>12,215,900</u>	<u>5,248,975</u>	<u>591</u>	<u>747</u>

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	10,834,414	15,554,878	-	-
Other loans	15,093,396	2,320,827	-	-
Trade creditors	12,298,841	3,471,991	-	-
Amounts owed to participating interests	26,809,702	25,624,936	4,087,549	22,013,028
Corporation tax	1,710,211	2,623,119	-	-
Other taxation and social security	190,664	181,013	-	-
Other creditors	12,130	37,886	103	199
Accruals and deferred income	6,751,386	7,503,195	15,000	3,000
	<u>73,700,744</u>	<u>57,317,845</u>	<u>4,102,652</u>	<u>22,016,227</u>

Bank loans in the current year include:

The bank loan with a total of £3,107,202 with McLaren (34 Lisbon Street) Limited is secured by first mortgage and charge over the company and its assets, and bears interest at a 4.5% + LIBOR. Offset against the loan is the arrangement fee of £94,948 (2022 - £73,223), bank legal fee of £40,577 (2022 - £37,440) and bank exit fee of £62,200 (2022 - £62,200) which are all being amortised over the life of the loan. At the period end the balance remaining on the arrangement fee was £14,483 (2022 - £Nil), bank legal fee was £2,876 (2022 - £Nil) and bank exit fee of £Nil (2022 - £Nil). The loan facility with Investec has been extended to 14 April 2024.

The bank loan with a total of £1,240,782 with McLaren (Ebor Court) Limited is secured by first mortgage and charge over the company and its assets, and bears interest at a 4.5% + LIBOR. Offset against the loan is the arrangement fee of £31,777 (2022 - £26,077) bank legal fee of £39,534 (2022 - £39,534) and bank exit fee of £18,525 (2022 - £18,525) which are all being amortised over the life of the loan. At the period end the balance remaining on the arrangement fee was £Nil (2022 - £Nil), bank legal fee was £Nil (2022 - £Nil) and bank exit fee was £Nil (2022 - £Nil). The loan has been extended and is now due to be repaid on 14 April 2024.

The bank loan with a total of £6,486,430 with Abbey Lodge Limited is secured by a first mortgage and charge over the company and its assets, and bears interest at a variable rate equivalent to LIBOR plus 5%. Offset against the loan is the arrangement fee of £170,250, bank legal fees of £44,450 and an exit fee of £143,400, which are being amortised over the life of the loan. At the year end, the balance remaining on the arrangement fee was £Nil (2022 - £Nil) bank legal fees £Nil (2022 - £Nil) and exit fee £Nil (2022 - £Nil). The bank loan has been extended for repayment to 31 January 2024.

Other loans include:

The other loan at the balance sheet date with a total of £15,093,396 (2022 - £2,320,827) relates to a third-party loan facility.

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

20. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £
Bank loans	7,482,068	-
Other loans	11,155,160	10,918,864
Amounts owed to other related parties	30,390,381	13,085,997
	<u>49,027,609</u>	<u>24,004,861</u>

The bank loan with a total of £3,742,267 with McLaren (London Road) Limited is secured by a first mortgage and charge over the company and its assets, and bears interest at a variable rate equivalent to LIBOR plus 4.5%. Offset against the loan is the arrangement fee of £255,000 (2022 - £60,000) and a bank legal fee of £100,298 (2022 - £18,125) which are all being amortised over the life of the loan. At the period end the balance remaining on the arrangement fee was £181,979 (2022 - £20,219), bank legal fee was £76,685 (2022 - £6,108). The bank facility is due to be repaid on 31 March 2028. During the year the bank facility with Investec was extended to 31 March 2028 with a new development facility amount of £19,500,000.

The bank loan with a total of £3,739,802 with McLaren (Springfield House) Limited is secured by first mortgage and charge over the company and its assets, and bears interest at a 4.5% + LIBOR. Offset against the loan is the arrangement fee of £126,012 and bank legal fee of £34,186 which are all being amortised over the life of the loan. At the year end the balance remaining on the arrangement fee was £126,012 and bank legal fee was £34,186. The loan is due for repayment on 15 September 2024.

Other loans falling due after more than one year include unsecured interest-bearing bonds with a total value of €13,000,000 (£11,155,160).

The unsecured interest-bearing bonds were listed on The International Stock Exchange during the year.

The amounts owed to related parties are unsecured and not repayable on demand.

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

21. Deferred taxation

Group

	2023	2022
	£	£
At beginning of year	255,734	617,471
Charged to the profit or loss	(81,714)	(294,014)
Prior year adjustment	86,443	-
Utilised in year	-	(67,723)
At end of year	260,463	255,734

The deferred tax asset is made up as follows:

	Group	Group
	2023	2022
	£	£
Short term timing differences	4,441	-
Tax losses carried forward	239,004	221,697
Fixed asset timing differences	17,018	34,037
	260,463	255,734

MCLAREN PROPERTY HOLDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

22. Analysis of net debt

	At 1 August 2022 £	Cash flows £	Changes in exchange value £	Other non- cash changes £	At 31 July 2023 £
Cash at bank and in hand	5,248,975	6,966,925	-	-	12,215,900
Debt due after 1 year	(24,004,861)	(20,160,693)	(236,296)	(4,625,761)	(49,027,611)
Debt due within 1 year	(43,421,672)	(7,519,266)	-	(1,806,320)	(52,747,258)
	<u>(62,177,558)</u>	<u>(20,713,034)</u>	<u>(236,296)</u>	<u>(6,432,081)</u>	<u>(89,558,969)</u>

23. Capital commitments

At 31 July 2023 the Group and company had capital commitments as follows:

	Group 2023 £	Group 2022 £
Contracted for but not provided in these financial statements	(35,657,016)	(22,582,034)
	<u>(35,657,016)</u>	<u>(22,582,034)</u>

The company had no capital commitments at 31 July 2023.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £241,357 (2022 - £234,255). Contributions totaling £24,318 (2022 - £20,925) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 31 July 2023 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	447,559	675,753
Later than 1 year and not later than 5 years	2,939,848	2,297,101
Later than 5 years	2,803,740	3,504,675
	<u>6,191,147</u>	<u>6,477,529</u>

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

26. Related party transactions

The group and LLP have 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.

Optimus Fiduciaries Limited (administrators and directors of certain subsidiaries)

During the period, the Group has paid administration fees totalling £16,486 (2022 - £16,486) to Optimus Fiduciaries Limited. Amounts totalling £11,795 (2022 - £11,795) were payable to Optimus Fiduciaries Limited at 31 July 2023. This amount is included within amounts owed to other related parties.

Octagon Discretionary Trust (trust of which a member is a beneficiary)

The Group has a loan payable to Octagon Discretionary Trust which at the reporting date, after accruing interest of £82,995 (2022 - £42,504), amounted to £1,759,311 (2022 - £1,676,316) including a principal amount £1,205,000 (2022 - £1,205,000) and accrued interest of £554,311 (2022 - £471,316). This amount is included within amounts owed to other related parties.

Joint ventures

During the year, the Group made loans to Joint Ventures ("JV") of £Nil (2022 - £159,614) and repayments from JV of £Nil (2022 - £5,746,537). There were write offs and provisions against JV loans of £14,679 (2022 - £10,154), a transfer between joint venture loans to 100% owned subsidiary loans of £Nil and after accruing interest of £Nil (2022 - £745,005), the total JV loan balance at the reporting date was £Nil (2020 - £148,955). In addition, the Group invoiced services to JV during the period with a total value of £115,436 (2022 - £112,054) and repayments for invoiced services of £115,436 (2022 - £130,894). At the reporting date, the total amount due from JV is £Nil (2022 - £130,115). This amount is included within amounts owed by JV.

Companies with common shareholders

During the year the Group increased its loan with McLaren Construction Ltd amounting to £42,159,646 (2022 - £24,277,898), repayments of £24,767,389 (2022 - £28,596,253), loan waivers totalling £1,338,451 (2022 - £Nil) and after accruing interest of £1,742,626 (2022 - £1,145,261), at the reporting date the amount due from the Group to McLaren Construction Limited was £55,350,356 (2022 - £37,553,926) including a principal amount of £48,362,387 (2022 - £32,308,581) and accrued interest of £6,987,971 (2022 - £5,245,345).

In addition, the Group also has a creditor balance of £654,153 (2022 - £590,269) with McLaren Construction Ltd. This amount was still payable at the balance sheet date.

MCLAREN PROPERTY HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

27. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,000,100 Ordinary shares of £0.001 each	<u>1,000.10</u>	<u>1,000.10</u>

28. Reserves

Non-controlling interest

Non-controlling interest represents the profits or losses, capital contributions, distributions and transfers between reserves due to the minority membership in McLaren Property Holdings LLP.

Other reserves

Other reserves represents the following equity movements related to the Company as the majority interest; capital contributions, distributions, transfers between reserves and the forgiveness of loans from a related party.

Merger Reserve

The Merger Reserve represents the difference between carrying value of the assets and liabilities acquired under merger accounting to the cost of investment (the fair value).

Profit and loss account

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

29. Controlling party

The company is controlled by Optimus Corporate Services Limited in its capacity as trustee of the McLaren Construction Limited Employee Trust 2007 re Kevin Robert Taylor and Family sub fund ('the Trust'). Kevin Robert Taylor is the beneficiary of the Trust.