

Registered number: OC377525

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023



MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

INFORMATION

Designated Members

J A Gatley
C R Young

Members

SCI Janus (appointed 3 August 2023)
McLaren Property Holdco Limited

LLP registered number

OC377525

Registered office

1st & 2nd Floors
61 Curzon Street
London
W1J 8PD

Company secretary

Taylor Wessing Secretaries Limited

Independent auditor

MHA
Statutory Auditors
6th Floor
2 London Wall Place
London
United Kingdom
EC2Y 5AU

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

MEMBERS' REPORT FOR THE YEAR ENDED 31 JULY 2023

The members present their annual report together with the audited financial statements of McLaren Property Holdings Limited Liability Partnership (the "LLP") and its subsidiaries and joint ventures (together "the McLaren Property Group" or "the Group") for the year ended 31 July 2023.

Principal activities

The principal activity of the Group headed by the LLP is that of property investment and development.

Business review

Executive Summary

McLaren Property Holdings LLP ("the Group") has concluded the financial year ending 31 July 2023 with a total comprehensive income of £3.4m, an increase from £2.2m in 2022. The Group's strategic focus on purpose-built student accommodation ("PBSA") developments, coupled with diversification into co-living and commercial sectors, has contributed to its robust financial performance.

Financial Performance

The Group achieved a turnover of £39.1m, resulting in a gross profit of £13.4m. While there was a decrease in turnover compared to the previous year, the gross profit remains strong, demonstrating efficient cost management and project profitability. The net asset value of the Group increased to £27.1m (2022 - £24.6m).

Operational Highlights

During the year, the Group forward-funded three PBSA developments, adding a total of 1,851 beds across Warwick, Nottingham, and Manchester. The 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 170 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 build-to-rent ("BTR") Units in Birmingham. This expansion underscores the Group's commitment to meeting the evolving demand for student accommodation.

Financing

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.

Diversification and Collaboration

In a strategic move, the Group has diversified its investment portfolio by entering the co-living and commercial sectors. Collaboration with McLaren Living in the BTR sector further enhances the Group's ability to capitalise on emerging opportunities and create a well-rounded property portfolio.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

MEMBERS' 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 (Ebor Court) Limited
- McLaren (34 Lisbon Street) Limited
- Golden Apple Limited
- Abbey Lodge Limited

	2023	2022
Total energy use covering electricity (kWh)	136,304	257,761
Total energy use covering gas (kWh)	8,731	63,312
Total gross emissions (in tonnes of CO2 equivalent)	30.24	67.96
Intensity ratio (electricity and gas usage in kWh/Sqft/annum) 1.	0.65	1.44

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 HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

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 Group purchased the land and buildings at Unit 6 Lisbon Square, Leeds for a total consideration of £1,050,000.

Designated Members

J A Gatley and C R Young were designated members of the LLP during the year.

Members

McLaren Property Holdco Limited and SCI Janus were members of the LLP during the year.

SCI Janus was a member from 3 August 2022.

Members' capital and interests

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the amended partnership agreement dated 3 August 2022.

Members' responsibilities statement

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 LLP and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

Disclosure of information to auditor

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

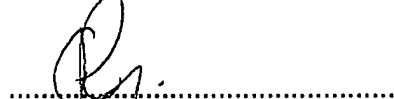
- so far as that member is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Group's auditor is aware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

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.

The auditors, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the members and signed on their behalf by:



C R Young
Designated member

Date: 22/01/2024

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

Opinion

We have audited the financial statements of McLaren Property Holdings Limited Liability Partnership (the 'parent LLP') and its subsidiaries (the 'Group') for the year ended 31 July 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the LLP Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the LLP 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 LLP'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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 members' 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 LLP'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 members with respect to going concern are described in the relevant sections of this report.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP (CONTINUED)

Other information

The other information comprises the information included in the Members' Report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the Members' Report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 1, the members 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 members 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 members are responsible for assessing the Group's and the parent LLP'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 members either intend to liquidate the Group or the parent LLP or to cease operations, or have no realistic alternative but to do so.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP (CONTINUED)

Auditors' 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 LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP'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 Auditor
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 HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

	Note	2023 £	2022 £
Turnover	4	39,141,951	71,969,140
Cost of sales		(25,669,259)	(57,078,953)
Gross profit		13,472,692	14,890,187
Administrative expenses		(8,273,645)	(6,394,197)
Other operating income		207,500	241,406
Changes in the fair value of investment property	15	4,446,948	120,644
Amortisation of goodwill	12	(464,145)	-
Operating profit	5	9,389,350	8,858,040
Share of profit of joint venture	14	(238,060)	(396,499)
Total operating profit		9,151,290	8,461,541
Loss on disposal of investment property	15	(98,943)	(848,547)
Interest receivable and similar income	9	141,154	859,230
Interest payable and similar expenses	10	(3,042,019)	(3,360,827)
Profit before tax		6,151,482	5,111,397
Tax on profit	11	(1,718,526)	(1,812,168)
Profit before members' remuneration and profit shares		4,432,956	3,299,229
Profit for the year before members' remuneration and profit shares		4,432,956	3,299,229
Members' remuneration charged as an expense		(1,064,495)	(1,096,449)
Profit for the financial year available for discretionary division among members		3,368,461	2,202,780

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

The notes on pages 16 to 44 form part of these financial statements.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC377525

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 assets	13	1,745,932	155,806
Investments	14	48	214,861
Investment property	15	33,100,000	15,350,000
		<u>36,702,562</u>	<u>18,041,394</u>
Current assets			
Stocks	16	53,052,938	36,524,058
Debtors	17	31,865,707	22,345,890
Cash at bank and in hand	18	12,167,550	5,176,768
		<u>97,086,195</u>	<u>64,046,716</u>
Creditors: amounts falling due within one year	19	(58,307,486)	(33,432,220)
Net current assets		<u>38,778,709</u>	<u>30,614,496</u>
Total assets less current liabilities		<u>75,481,271</u>	<u>48,655,890</u>
Creditors: amounts falling due after more than one year	20	(48,373,458)	(24,004,861)
Net assets		<u><u>27,107,813</u></u>	<u><u>24,651,029</u></u>

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC377525

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Members' other interests			
Members' capital classified as equity		18,209,973	19,121,649
Other reserves classified as equity		8,897,840	5,529,380
		<u>27,107,813</u>	<u>24,651,029</u>
Total members' interests			
Amounts due from members (included in debtors)	17	(2)	(2)
Members' other interests	23	27,107,814	24,651,031
		<u>27,107,812</u>	<u>24,651,029</u>

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



C R Young
 Designated member

Date: 22/01/2024

The notes on pages 16 to 44 form part of these financial statements.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP
REGISTERED NUMBER: OC377525

LLP STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Fixed asset investments	14	19,548,913	20,731,094
Current assets			
Debtors	17	5,741	113,757
Cash at bank and in hand	18	16,374	-
		<u>22,115</u>	<u>113,757</u>
Creditors: Amounts Falling Due Within One Year	19	(1,262,999)	(2,367,628)
Net current liabilities		<u>(1,240,884)</u>	<u>(2,253,871)</u>
Total assets less current liabilities		<u>18,308,029</u>	<u>18,477,223</u>
Net assets		<u>18,308,029</u>	<u>18,477,223</u>
Represented by:			
Members' other interests			
Members' capital classified as equity		18,209,972	19,121,647
Other reserves classified as equity carried forward		98,057	(644,424)
		<u>18,308,029</u>	<u>18,477,223</u>
Total members' interests			
Amounts due from members (included in debtors)	17	(2)	(2)
Members' other interests	23	18,308,032	18,477,224
		<u>18,308,030</u>	<u>18,477,222</u>

The LLP 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 profit after tax of the parent LLP for the year was £742,483 (2022 - loss of £11,583,384).

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

.....
C R Young
Designated member

Date: 22/01/2024

The notes on pages 16 to 44 form part of these financial statements.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

	Members capital (classified as equity) £	Other reserves £	Total equity £
At 1 August 2022	19,121,650	5,529,381	24,651,031
Comprehensive income for the year			
Profit for year for discretionary division among members	-	3,368,461	3,368,461
Contributions by and distributions to members			
Capital introduced by members	12,700,000	-	12,700,000
Capital amounts repaid to members	(13,611,677)	-	(13,611,677)
At 31 July 2023	18,209,973	8,897,842	27,107,815

The notes on pages 16 to 44 form part of these financial statements.

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

	Members capital (classified as equity) £	Other reserves £	Total equity £
At 1 August 2021	31,453,583	3,326,601	34,780,184
Comprehensive income for the year			
Profit for year for discretionary division among members	-	2,202,780	2,202,780
Contributions by and distributions to members			
Capital introduced by members	4,739,200	-	4,739,200
Capital amounts repaid to members	(17,071,134)	-	(17,071,134)
Total transactions with members	(12,331,934)	-	(12,331,934)
At 31 July 2022	19,121,649	5,529,381	24,651,030

The notes on pages 16 to 44 form part of these financial statements.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

	Members' capital (classified as equity)	Other reserves	Total equity
	£	£	£
At 1 August 2022	19,121,649	(644,425)	18,477,224
Comprehensive income for the year			
Profit for year for discretionary division among members	-	742,483	742,483
Contributions by and distributions to members			
Capital introduced by members	12,700,000	-	12,700,000
Capital amounts repaid to members	(13,611,677)	-	(13,611,677)
Contributions by and distributions to members	(911,677)	-	(911,677)
At 31 July 2023	18,209,972	98,058	18,308,030

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

	Members' capital (classified as equity)	Other reserves	Total equity
	£	£	£
At 1 August 2021	31,453,583	(12,227,809)	19,225,774
Comprehensive income for the year			
Profit for year for discretionary division among members	-	11,583,384	11,583,384
Contributions by and distributions to members			
Capital introduced by members	4,739,200	-	4,739,200
Capital amounts repaid to members	(17,071,134)	-	(17,071,134)
Contributions by and distributions to members	(12,331,934)	-	(12,331,934)
At 31 July 2022	19,121,649	(644,425)	18,477,224

The notes on pages 16 to 44 form part of these financial statements.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	3,368,461	2,202,780
Adjustments for:		
Members' remuneration charged as an expense	1,064,495	1,096,449
Amortisation of goodwill	(464,145)	-
Depreciation of tangible assets	142,767	35,341
Interest paid	3,042,019	3,360,827
Interest received	(141,154)	(859,230)
Taxation charge	1,718,526	1,812,168
(Increase) in stocks	(16,528,877)	(19,242,475)
(Increase)/decrease in debtors	(9,514,959)	13,824,242
Increase/(decrease) in creditors	34,350,051	(9,387,750)
Share of operating profit in joint ventures	238,060	396,499
Corporation tax (paid)	(2,635,798)	(3,648,185)
Foreign exchange	237,978	(129,533)
Arrangement fees paid	(4,446,948)	(120,644)
Loss on disposal of investment property	98,943	848,546
Net cash generated from operating activities before transactions with members	10,529,419	(9,810,965)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(2,320,727)
Purchase of tangible fixed assets	(1,732,894)	(120,255)
Purchase of investment properties	(15,103,050)	(2,116,365)
Sale of investment properties	1,800,000	54,241,660
Purchase of share in joint ventures	(23,249)	-
Interest received	62,618	26,161
Joint ventures interest received	-	745,006
Dividends received	207,500	175,000
Net cash from investing activities	(14,789,075)	50,630,480

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

**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	(2,307,564)	(3,070,848)
Members' capital contributed	12,700,000	4,739,200
Members' capital repaid	(13,611,677)	(17,071,134)
Members remuneration	(1,064,495)	(1,096,449)
Arrangement fees paid	(513,280)	-
Net cash used in financing activities	11,250,438	(35,724,890)
Net increase in cash and cash equivalents	6,990,782	5,094,625
Cash and cash equivalents at beginning of year	5,176,768	82,143
Cash and cash equivalents at the end of year	12,167,550	5,176,768
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,167,550	5,176,768
	12,167,550	5,176,768

The notes on pages 16 to 44 form part of these financial statements.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

1. General information

McLaren Property Holdings Limited Liability Partnership is a limited liability partnership incorporated in England and Wales, with registration number OC377525. The address of the registered office is stated on the members' information page and the nature of the members' operations and its principal activities are set out in the members' 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 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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 LLP 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 LLP disclosure exemptions

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

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

The financial statements have been prepared in pounds sterling, the functional currency, rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the LLP 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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 August 2015.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

2. Accounting policies (continued)

2.3 Going concern

The members prepare financial forecasts and monitor performance of the Group on an ongoing basis and have prepared a financial projection for the Partnership 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 members 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 members have prepared the financial statements on the going concern basis.

2.4 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 of 5 years.

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.

2.5 Business combinations

The Group acquires subsidiaries that own stock. At the time of acquisition, the Group considers whether each acquisition represents 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 HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

2. Accounting policies (continued)

2.6 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.

2.7 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.

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 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 and finance costs, which are directly attributable to the project under development and are capitalised. 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.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 Impairment of fixed assets and depreciation

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.

2.13 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.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

2. Accounting policies (continued)

2.14 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.

2.15 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 within 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.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

2. Accounting policies (continued)

2.15 Financial instruments (continued)

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 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.

2.16 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.

2.17 Foreign currency translation

Functional and presentation currency

The LLP'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.

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

2. Accounting policies (continued)

2.18 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.

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

2.19 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.

2.20 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.

2.21 Pensions

Defined contribution pension plan

The Group operates a defined contribution pension 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 the income statement when they fall due. Amounts not paid are shown as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.22 Interest income

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

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

2. Accounting policies (continued)

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 LLP 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.

2.25 Division and distribution of profits

A division of profits is the mechanism by which the profits of a Group become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the Group does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the Group, which it has the unconditional right to avoid making.

The Group divides profits automatically. Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense in the consolidated statement of comprehensive income. The Group classifies distributions of profits as operating cash flows in the statement of cash flows.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

Loans and other debtors due to members rank equally in relation to other unsecured creditors

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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 members 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 2022 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 HOLDINGS LIMITED LIABILITY PARTNERSHIP

**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 partner.

4. Turnover

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

	2023 £	2022 £
Property Development	38,956,287	69,035,992
Development management fees	-	15,000
Rental income	185,664	2,918,148
	<u>39,141,951</u>	<u>71,969,140</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	142,767	35,341
Foreign exchange loss/(gain)	237,978	(129,533)
Operating lease rentals	356,045	364,566
	<u>736,790</u>	<u>270,374</u>

6. Auditor's remuneration

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

	2023 £	2022 £
Fees payable to the LLP's auditor for the audit of the consolidated and parent LLP's financial statements	44,858	27,000
Fees payable to the Group's auditor for the audit of the subsidiary financial statements	<u>139,142</u>	<u>93,000</u>

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

7. Employees

Staff costs, including members' remuneration, were as follows:

	Group 2023 £	Group 2022 £	LLP 2023 £	LLP 2022 £
Wages and salaries	4,380,411	3,588,237	-	-
Social security costs	694,449	614,912	-	-
Pension costs	174,066	149,544	-	-
	<u>5,248,926</u>	<u>4,352,693</u>	<u>-</u>	<u>-</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2023 No.	2022 No.
Management	13	14
Legal	2	1
Administration	4	2
Finance	4	4
	<u>23</u>	<u>21</u>

8. Information in relation to members

	2023 Number	2022 Number
The average number of members during the year was	3	3
	<u>2023 £</u>	<u>2022 £</u>
Paid under employment contract	1,064,495	1,096,449
Pension contributions	6,000	4,000
	<u>1,070,495</u>	<u>1,100,449</u>

During the period, retirement benefits were accruing to one member (2022 – one) in respect of defined contribution schemes.

The members are the key management personnel of the entity and their compensation is noted above.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

9. Interest receivable and similar income

	2023	2022
	£	£
Interest receivable from joint ventures of the group	-	745,006
Interest receivable from other related parties	78,536	88,064
Other interest receivable	62,618	26,160
	<u>141,154</u>	<u>859,230</u>

10. Interest payable and similar charges

	2023	2022
	£	£
Bank interest payable	782,456	1,887,655
Other loan interest payable	1,024,110	913,329
Interest payable to related parties	985,933	471,198
Other interest payable	249,520	88,645
	<u>3,042,019</u>	<u>3,360,827</u>

Included within interest payable and similar charges are loan arrangement fees of £180,352 (2022 - £29,476)

11. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	1,723,255	1,520,697
Adjustments in respect of previous periods	-	(70,267)
Total current tax	<u>1,723,255</u>	<u>1,450,430</u>
Deferred tax		
Origination and reversal of timing differences	68,658	275,945
Changes to tax rates	(86,443)	87,141
Adjustment in respect of previous periods	13,056	(1,348)
Total deferred tax	<u>(4,729)</u>	<u>361,738</u>
Taxation on profit on ordinary activities	<u>1,718,526</u>	<u>1,812,168</u>

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

**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	<u>12,212,639</u>	<u>4,014,948</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.01% (2022 - 19.00%)	2,566,835	762,840
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	48,279	304,907
Net utilisation of tax losses and losses not recognised for deferred tax purposes'	(405,699)	(29,419)
Adjustments to tax charge in respect of prior periods	(67,767)	(71,615)
Non-taxable income	(476,700)	(74,980)
Tax rate changes	13,055	87,141
Effects of other reliefs	2,986	5,352
Taxable gain on disposal of properties'	62,773	827,942
Deferred tax asset not recognised	1	-
Post cessation expenses	29,531	-
Losses extinguished on cessation	18,423	-
Transfer pricing adjustments	(73,191)	-
Total tax charge for the year	<u><u>1,718,526</u></u>	<u><u>1,812,168</u></u>

Factors that may affect future tax charges

A deferred tax asset of £3,842,286 at the substantively enacted rate of 25% has not been recognised in respect of losses carried forward.

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 HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

12. Intangible assets

Group and LLP

	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

The individual intangible asset which is material to the financial statements is the acquisition in an earlier year of the 50% share holding of McLaren Property (UBS 1) Ltd from the JV partner.

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-term leasehold property	1,660,700	119,601
	<u>1,660,700</u>	<u>119,601</u>

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

**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	214,860
Disposals	(100)
Amounts written off	23,348
Share of profit/(loss)	(238,060)
	<hr/>
At 31 July 2023	48
 Net book value	
At 31 July 2023	<hr/> 48
At 31 July 2022	<hr/> 214,860

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

14. Fixed asset investments (continued)

LLP

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2022	20,731,094
Additions	4
Disposals	(924,483)
At 31 July 2023	<u>19,806,615</u>
Impairment	
Charge for the period	257,702
At 31 July 2023	<u>257,702</u>
Net book value	
At 31 July 2023	<u><u>19,548,913</u></u>
At 31 July 2022	<u><u>20,731,094</u></u>

On 1 August 2022, the LLP acquired a 100% interest in McLaren (Birmingham) Limited for a total consideration of £1.

On 2 November 2022, the LLP acquired a 100% interest in McLaren Property (UK) 4 Limited for a total consideration of £1.

On 18 April 2023, the LLP acquired a 100% interest in McLaren (Springfield House) Limited for a total consideration of £1.

On 12 July 2023, the LLP acquired a 100% interest in McLaren (Moulsecoomb 2) Limited for a total consideration of £1.

Details of subsidiaries and joint ventures can be found overleaf.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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 LLP:

Name	Registered office	Principal activity	Holding
McLaren Property Limited	UK	Development manager	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 (Moulsecoomb Way) Limited	Isle of Man	Property investment	100%
McLaren (The Oaks) Limited	Isle of Man	Property investment	100%
McLaren (Leicester) Limited	UK	Property development	100%
McLaren (Exeter) Limited	UK	Property development	100%
McLaren (Creeside) Limited	UK	Property development	100%
McLaren (Westover Road) Limited	UK	Property development	100%
McLaren Property (UBS 1) Limited		Property development	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 (Birmingham) Limited	UK	Property development	100%
McLaren Property (UK) 4 Limited	UK	Property development	100%
McLaren (Springfield House) Limited	UK	Property development	100%
McLaren (Moulsecoomb 2) Limited	UK	Property development	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Holding
McLaren (Baldwin Street) Limited	Isle of Man	Property investment	100%
McLaren Student (Baldwin Street) Limited	UK	Dormant	100%
McLaren (34 Lisbon Street) Limited	UK	Property development	100%
McLaren (120 Wellington Street) Limited	UK	Property development	100%
McLaren (116 Wellington Street) Limited	UK	Property development	100%
McLaren (Ebor Court) Limited	UK	Property development	100%
McLaren (Lisbon Square) Limited	UK	Property development	100%

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

14. Fixed asset investments (continued)

Joint ventures

The following were joint ventures of the LLP:

Name	Registered office	Principal activity	Holding
Joshua Properties Limited	UK	Intermediate holding company	50%
Evala Limited	UK	Property development	50%
McLaren (Swindon) Limited	Isle of Man	Property investment	50%
McLarenPMG (Cardiff) Limited	Isle of Man	Property investment	50%
McLaren Life Limited	UK	Property development	50%
McLaren Property (UBS 2) Limited	UK	Dormant	50%
McLaren PMG Cardiff A & B Block Limited	UK	Student accommodation operator	50%

All shares held are ordinary shares.

The registered address for all the companies incorporated in the Isle of Man is 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.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

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 members have determined that the group's investment properties are qualifying investments for accounting purposes and thus all of the costs associated with bringing the fixed assets under construction to completion, including interest and finance costs, are capitalised additions as they are incurred or can be reasonably anticipated. The investment properties were valued by the directors at 31 July 2023, with the fair value determined by current market rents and investment property yields for comparable real estate. The total finance costs capitalised during the year at a commercial rate amounted to £1,154,427 (2022 - £104,862).

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
	31,835,552	13,568,456

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

16. Stocks

	Group 2023 £	Group 2022 £
Stock and WIP	53,052,937	36,524,058
	<u>53,052,937</u>	<u>36,524,058</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 £88,151 (2022 - £210,380). The amount of stock recognised as an expense during the year in respect of development costs was £25,669,259 (2022 - £55,625,148).

17. Debtors

	Group 2023 £	Group 2022 £	LLP 2023 £	LLP 2022 £
Trade debtors	268,969	72,039	-	-
Amounts owed by joint ventures	-	130,114	-	-
Amounts owed by other related parties	6,782,418	10,901,679	-	-
Other debtors	1,354,220	2,675,400	5,739	27,036
Prepayments and accrued income	2,013,475	1,274,358	-	86,721
Amounts recoverable on long-term contracts	19,053,182	6,550,179	-	-
Other taxation and social security	1,978,301	331,343	-	-
Deferred taxation	260,463	255,734	-	-
Corporation tax repayable	154,677	155,042	-	-
Amounts due from members	2	2	2	-
	<u>31,865,707</u>	<u>22,345,890</u>	<u>5,741</u>	<u>113,757</u>

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

18. Cash and cash equivalents

	Group 2023 £	Group 2022 £	LLP 2023 £	LLP 2022 £
Cash at bank and in hand	12,167,550	5,176,768	16,374	-
	<u>12,167,550</u>	<u>5,176,768</u>	<u>16,374</u>	<u>-</u>

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	LLP 2023 £	LLP 2022 £
Bank loans	10,834,414	15,554,878	-	-
Other loans	15,093,396	2,320,827	-	-
Trade creditors	11,766,911	3,319,598	103,150	89,707
Amounts owed to group undertakings	-	-	1,112,825	2,250,899
Amounts owed to other participating interests	12,503,878	2,345,554	-	-
Corporation tax	1,710,211	2,623,119	-	-
Other taxation and social security	248,380	370,264	-	-
Other creditors	12,129	37,889	24	22
Accruals and deferred income	6,138,167	6,860,091	47,000	27,000
	<u>58,307,486</u>	<u>33,432,220</u>	<u>1,262,999</u>	<u>2,367,628</u>

Bank loans 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.

In the prior year other loans included an unsecured interest-bearing bond with a total value of £10,000,000 (£8,525,148).

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

**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 participating interests	29,736,230	13,085,995
	<u>48,373,458</u>	<u>24,004,859</u>

Bank loans include:

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 include:

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) (2022 - £10,918,864).

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

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

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

21. Financial instruments

	Group 2023 £	Group 2022 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	17,284,102	18,852,555
Financial liabilities		
Other financial liabilities measured at fair value through profit or loss	86,990,284	54,308,140

Financial assets that are debt instruments measured at amortised cost comprise of trade and other debtors, amounts owed by joint ventures, members and other related parties, cash at bank and accrued income.

Other financial liabilities measured at fair value through profit and loss comprise of trade and other creditors, amounts owed to joint ventures, members and other related parties, accruals and deferred income, other loans and bank loans.

22. Deferred taxation

Group

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

The deferred tax asset is made up as follows:

	Group 2023 £	Group 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

The fixed asset timing differences relate to depreciation in excess of capital allowances.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

23. Reconciliation of members' interests (Group)

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £ (2)	Total £ (2)	Total £
Amounts due from members						
Balance at 31 July 2022	19,121,650	5,529,381	24,651,031	(2)	(2)	24,651,029
Profit for the year available for discretionary division among members	-	3,368,460	3,368,460	-	-	3,368,460
Members' interests after profit for the year	19,121,650	8,897,841	28,019,491	(2)	(2)	28,019,489
Amounts introduced by members	12,700,000	-	12,700,000	-	-	12,700,000
Distribution to members	(13,611,677)	-	(13,611,677)	-	-	(13,611,677)
Amounts due from members				(2)	(2)	
Balance at 31 July 2023	18,209,973	8,897,841	27,107,814	(2)	(2)	27,107,812

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

23. Reconciliation of members' interests (LLP)

	EQUITY			DEBT		Total
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Balance at 31 July 2022	19,121,649	(644,425)	18,477,224	(2)	(2)	18,477,222
Profit for the year available for discretionary division among members	-	742,483	742,483	-	-	742,483
Members' interests after profit for the year	19,121,649	98,058	19,219,707	(2)	(2)	19,219,705
Amounts introduced by members	12,700,000	-	12,700,000	-	-	12,700,000
Distribution to members	(13,611,677)	-	(13,611,677)	-	-	(13,611,677)
Amounts due from members				(2)	(2)	
Balance at 31 July 2023	18,209,972	98,058	18,308,030	(2)	(2)	18,308,028

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

Loans and other debtors due to members rank equally in relation to other unsecured creditors.

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

24. Analysis of net debt (Group)

	At 1 August 2022 £	Arising from cash flows £	Other non- cash changes £	Changes in exchange value £	At 31 July 2023 £
Cash at bank and in hand	5,176,768	6,990,782	-	-	12,167,550
Borrowings due within 1 year	(20,142,290)	(21,021,674)	2,822,689	-	(38,341,275)
Borrowings due after 1 year	(24,004,861)	(20,160,693)	(3,971,608)	(236,296)	(48,373,458)
Net debt (before members' debt)	(38,970,383)	(34,191,585)	(1,148,919)	(236,296)	(74,547,183)

25. Capital commitments

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

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

The LLP has no capital commitments at 31 July 2023.

26. 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 £174,066 (2022 - £149,544). Contributions totaling £17,763 (2022 - £14,352) were payable to the fund at the reporting date.

27. Commitments under operating leases

At 31 July 2023 the Group 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	465,472
Later than 1 year and not later than 5 years	2,939,848	2,507,382
Later than 5 years	2,803,740	3,504,675
	6,191,147	6,477,529

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

28. 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 of certain subsidiaries)

During the period, the Group has paid fees totalling £6,662 (2022 - £16,486) to Optimus Fiduciaries Limited. Amounts totalling £Nil (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 - £42,503), amounted to £1,759,311 (2022 - £1,676,316) including a principal amount of £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 (2022 - £148,955). In addition, the Group invoiced services to JV during the year 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 - £130,114). This amount is included within amounts owed by JV.

Companies with common shareholders

During the year, McLaren Construction Ltd ("MCL") made loans to the Group amounting to £38,004,180 (2022 - £18,881,355), the group made repayments of £12,192,801 (2022 - £27,970,647) and after accruing interest of £902,741 (2022 - £400,030), at the reporting date the amount due from the Group to MCL was £40,390,384 (2022 - £13,085,994) including a principal amount of £35,447,763 (2022 - £9,636,384) and accrued interest of £4,352,352 (2022 - £3,449,611). This amount is included within amounts owed to other related parties. In addition, the Group also has a creditor balance of £654,154 (2022 - £590,269) with MCL. This amount was still payable at the balance sheet date.

Members

During the year the group increased its loan receivable with a member by £5,226,576 (2022 - £5,285,103), the member made repayments of £5,038,768 (2022 - £4,350,989) and accrued interest of £64,135 (2022 - £74,372), at the reporting date the amount due from the member to the group was £4,858,257 (2022 - £4,606,314) including a principal amount of £4,006,429 (2022 - £3,818,620) and accrued interest of £851,828 (2021 - £787,694). This amount is included within amounts owed by other related parties.

During the year the group increased its loan receivable with another member by £352,898 (2022 - credit balance £16,976) the member made repayments of £124,824 and accrued interest of £1,930, at the reporting date the amount due from the member to the group was £213,028 including a principal amount of £206,293 and accrued interest of £6,734. This amount is included within amounts owed by other related parties.

Key management personnel of the group comprise the designated members only, who have authority and responsibility for planning, directing, and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group during the period was £1,096,449 (2022 - £279,375).

MCLAREN PROPERTY HOLDINGS LIMITED LIABILITY PARTNERSHIP

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

28. Related party transactions (continued)

A member has guaranteed certain liabilities to the extent that these liabilities could not be settled by the assets of Golden Apple Limited (a subsidiary). The group recognises an amount of £1,599,921 as due from the member, being the net liabilities of Golden Apple Limited at the date of acquisition. This was recognised as a fair value adjustment and the balance is included within amounts owed by other related parties at 31 July 2023.

29. 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 Group purchased the land and buildings at Unit 6 Lisbon Square, Leeds for a total consideration of £1,050,000.

30. Controlling party and parent entity

The LLP's immediate parent is McLaren Property Holdco Limited, a limited company incorporated in the United Kingdom, which prepared consolidated financial statements for the year ended 31 July 2023 that are publicly available.

The LLP 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.