

McLaren Performance Limited

**Annual report and financial
statements**

Registered number 04557358
31 December 2015



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Strategic report

Principal activities

The Company's principal activity during the year was that of technical support for Third Party Formula One teams.

Results

Turnover for the year was £6,256,340 (2014: £10,157,339) and profit for the year after taxation amounted to £686,220 (2014: profit of £497,081). The detailed result is shown in the profit and loss account on page 9.

Business review

The Company's results and operations are reviewed on a regular basis to ensure that customer contracts retain overall profitability at a gross and net margin level.

Future developments, risks and uncertainties

The Company will continue to provide technical support for Formula One teams. Retention and development of these types of contracts is fundamental to the business and the tough economic conditions that many teams within F1 currently find themselves in presents the key risk to this type of technical consultancy.

Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. There were no changes in prior year results due of the transition.

By order of the board



T Murnane
Secretary

19 October 2016

Registered Office:
McLaren Technology Centre
Chertsey Road
Woking
Surrey
GU21 4YH

Directors' report

The directors present their annual report and the audited financial statements and auditor's report, for the year ended 31 December 2015.

Results

The profit on ordinary activities for the year after taxation amounted to £686,220 (2014: £497,081).

Future developments and events after the balance sheet date

The future developments of the company are explained in the strategic report on page 3.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 3b on page 12.

Financial risk management objectives and policies

Foreign exchange and liquidity risk are managed via McLaren Technology Group Limited, as the Company participates in the Group's centralised treasury arrangements. The Group uses long term and short term debt finance, and forward foreign exchange contracts to manage the net position of the Group as a whole.

Dividends

The directors do not propose a dividend for the year ended 31 December 2015 (2014: £nil)

Directors

The directors, of the company who were in office during the year and up to the date of signing the financial statements were:

R Dennis

T Murnane

I Rhodes – appointed 15/05/15

Disabled employees

The policy of the company and its subsidiaries is to give full and fair consideration to employment applications by disabled persons and to ensure that disabled employees receive appropriate training and career development opportunities. Employees who become disabled during their working life will be retained in employment wherever possible, with appropriate retraining being given if necessary.

Employee consultation

The Company is committed to ensuring that its people are actively engaged in the ongoing management and future direction of the business. Regular formal, and informal, briefings are held with all sections of the workforce.

The Company takes reasonable steps to ensure that all employees, existing and prospective, are given fair and equal opportunity regardless of sex, race, ethnicity, religion or disability.

Directors' report (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

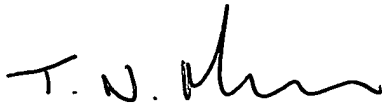
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

The financial statements on pages 9 to 20 were approved by the Board of Directors on *19 October* and signed on its behalf by: *2016*



T Murnane
Secretary, McLaren Performance Limited

Registered Office:
McLaren Technology Centre
Chertsey Road
Woking
Surrey
GU21 4YH

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102), and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of McLaren Performance Limited

Report on the financial statements

Our opinion

In our opinion, McLaren Performance Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of McLaren Performance Limited **(continued)**

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Nigel Comello (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 October 2016

Profit and loss account

for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Turnover		6,256	10,157
Cost of Sales		<u>(5,301)</u>	<u>(9,385)</u>
Gross profit		955	772
Administration expenses		<u>(38)</u>	<u>(290)</u>
Operating profit	5	917	482
Interest receivable and similar income	7	29	134
Interest payable and similar charges	7	<u>(88)</u>	<u>-</u>
Profit on ordinary activities before taxation		858	616
Tax on profit on ordinary activities	8	<u>(172)</u>	<u>(119)</u>
Profit for the financial year		<u>686</u>	<u>497</u>

In both the current year and preceding year, the company made no material acquisitions and had no discontinued operations.

The profit for the current year and the profit for the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis.

Balance sheet

as at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	9	<u>5</u>	<u>7</u>
		<u>5</u>	<u>7</u>
Current assets			
Debtors	10	14,291	13,496
Creditors: Amounts falling due within one year	11	<u>(6,914)</u>	<u>(6,807)</u>
Net current assets		<u>7,377</u>	<u>6,689</u>
Net assets/Total assets less current liabilities		<u>7,382</u>	<u>6,696</u>
Capital and reserves			
Called-up share capital	13	-	-
Retained earnings		<u>7,382</u>	<u>6,696</u>
Total Equity		<u>7,382</u>	<u>6,696</u>

The financial statements of McLaren Performance Limited were authorised for issue by the board of directors on 19 October 2016 and signed on its behalf by:


R. Dennis
Chief Executive Officer

Statement of changes in equity
for the year ended 31 December 2015

	Called-up Share Capital £000	Retained earnings £000	Total equity £000
Balance at 31 December 2013	-	6,199	6,199
Changes on transition to FRS 102	-	-	-
Balance at 1 January 2014	-	6,199	6,199
Profit for the financial year	-	497	497
Balance at 31 December 2014	-	6,696	6,696
Profit for the financial year	-	686	686
At 31 December 2015	-	7,382	7,382

Notes to the financial statements

1. General Information

McLaren Performance Limited is a private limited company incorporated in the United Kingdom. The address of the registered office is given on page 5. The nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

2. Statement of compliance

The individual financial statements of McLaren Performance Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention..

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4

b. Going concern

The Company's activities, together with the factors likely to affect its future development and position are set out in the Strategic Report on page 3.

McLaren Performance Limited is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have made enquires of the directors of the Company's parent and following these enquires, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of McLaren Technology Group Limited to continue as a going concern or its ability to continue banking arrangements.

On the basis of their assessment of the Company's financial position of the enquires made of the directors of McLaren Technology Group Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, McLaren Technology Group Limited, includes the Company's cash flows in its own consolidated financial statements;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.36 to 12.29, as the information is provided in the consolidated financial statements disclosure.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

c. Exemptions for qualifying entities under FRS 102 (continued)

- (iii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7

d. Foreign currency

The Company's functional and presentational currency is the pound sterling.

Foreign currency transactions are translated into the functional currency at the rates ruling at the beginning of the month in which the transactions took place, unless they are deemed to be materially different to the spot rate, in which case spot exchange rates are used.

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.

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 the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within interest receivable/(payable).

e. Revenue recognition

Turnover represents the value of goods sold and services provided in the year, exclusive of Value Added Tax. Sales are recognised when the goods are delivered to the customer.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Amounts recoverable on contracts are included in debtors or creditors and represent turnover recognised in excess of, or below, payments on account.

f. Employee benefits

(i) Defined contribution pension plans

The Company participates in a defined contribution pension scheme and also pays contributions to personal pension schemes of certain employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions to a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

(ii) Short term benefits

Short term benefits, including holiday pay and other similar monetary benefits, are recognised as an expense in the period in which the service is rendered.

(iii) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

g. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from inclusion of income and expenses in the tax assessments of different periods than those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference

h. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided over the estimated useful lives of the assets at the following rates:

Plant, machinery, tools and equipment	- 20% of reducing balance
Fixtures, fittings and office equipment	- 20% of reducing balance

The assets residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account.

Repairs, maintenance and minor inspection costs are expensed as incurred.

i. Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

j. Provisions and contingencies

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

j. Provisions and contingencies (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

k. Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables (except for prepayments) and cash and bank balances are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables (except for deferred income), bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at 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. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

l. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m. Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management have considered the areas of judgement and estimation and do not believe there are any that hold significant risks of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

5. Operating profit

Operating profit is stated after charging	2015 £000	2014 £000
Depreciation	1	1
Auditor's remuneration – audit of these financial statements	<u>6</u>	<u>6</u>

6. Employees and directors

Employees

Employee costs during the period:	2015 £000	2014 £000
Wages and salaries	27	494
Social security costs	4	57
Other pension costs	1	21
	<u>32</u>	<u>572</u>

Notes to the financial statements (continued)

6. Employees and directors (continued)

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2015 Number	2014 Number
Design & Production	-	7

R Dennis and T Murnane were directors of other group companies during the year and their remuneration for services to the Company have been borne by another group company. The share of the total emoluments of these directors allocated in respect of services to this company is £24,106 (2014: £23,676).

7. Net interest expense

	2015 £000	2014 £000
(a) Interest receivable and similar income		
On group loans	29	27
Other interest receivable	-	107
	<u>29</u>	<u>134</u>

	2015 £000	2014 £000
(b) Interest payable and similar charges		
Net exchange losses	88	-
	<u>88</u>	<u>-</u>

8. Income tax

	2015 £000	2014 £000
(a) Tax expense/(income) included in profit or loss		
Current tax:		
- UK corporation tax on profits for the year	174	132
- Adjustment in respect of prior years	-	(13)
Total current tax	<u>174</u>	<u>119</u>
Deferred tax:		
- Adjustment in respect of prior years	(2)	-
Total deferred tax (see note 12)	<u>(2)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>172</u>	<u>119</u>

Notes to the financial statements (continued)

8. Income tax (continued)

(b) Reconciliation of tax charge:

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	<u>858</u>	<u>616</u>
Profit multiplied by the standard rate of tax in the UK of 20.25% (2014: 21.5%)	174	132
Effects of:		
- Adjustments to tax charge in respect of prior years	<u>(2)</u>	<u>(13)</u>
Tax charge for year	<u><u>172</u></u>	<u><u>119</u></u>

(c) Tax rate changes

In March 2015, the UK corporation tax rate was reduced from 20% to 19%, effective for the three years from 1 April 2017 to 31 March 2020, and then to 18% from 1 April 2020 onwards. Deferred tax balances at 31 December 2014 are measured at 20%, and deferred tax balances at 31 December 2015 are measured at the rate at which they are expected to reverse.

9. Tangible assets

	Plant, machinery, tools and equipment £000	Fixtures, Fittings and office equipment £000	Total £000
Cost or valuation:			
At 1 January 2015	11	1	12
Disposals	<u>-</u>	<u>(1)</u>	<u>(1)</u>
At 31 December 2015	<u><u>11</u></u>	<u><u>-</u></u>	<u><u>11</u></u>
Accumulated depreciation:			
At 1 January 2015	5	-	5
Charge for the year	<u>1</u>	<u>-</u>	<u>1</u>
At 31 December 2015	<u><u>6</u></u>	<u><u>-</u></u>	<u><u>6</u></u>
Net book value:			
At 31 December 2015	<u><u>5</u></u>	<u><u>-</u></u>	<u><u>5</u></u>
At 31 December 2014	<u>6</u>	<u>1</u>	<u>7</u>

Notes to the financial statements *(continued)*

10. Debtors

	2015 £000	2014 £000
Trade debtors	1,951	3,950
Amounts owed by group undertakings	9,275	7,536
Other debtors	-	10
Prepayments and accrued income	3,063	2,000
Deferred tax assets	2	-
	<u>14,291</u>	<u>13,496</u>

Amounts owed by group undertakings include business transactions, under normal commercial terms and conditions, and group loans. Group loans attract interest at 2.5% above Bank of England base rate, are unsecured, and repayable on demand.

11. Creditors amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	5,793	6,637
Taxation and social security	-	12
Accruals and deferred income	1,121	158
	<u>6,914</u>	<u>6,807</u>

Amounts owed by group undertakings include business transactions, under normal commercial terms and conditions, and group loans. Group loans attract interest at Bank of England base rate, are unsecured, and repayable on demand.

12. Deferred tax

The deferred tax consists of the following:

	2015 £000	2014 £000
Depreciation in excess of capital allowances	2	-
	<u>2</u>	<u>-</u>

The deferred tax assets expected to reverse in 2016 total £411.

Notes to the financial statements (continued)

13. Called up share capital

	2015 £	2014 £
Called-up, allotted and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</u>

The Company has one class of ordinary shares which carry no right to fixed income.

14. Ultimate parent company

In the opinion of the directors, the company's immediate parent is McLaren Racing Limited and its ultimate parent company is McLaren Technology Group Limited, a company registered in England and Wales. This is also the parent undertaking of the largest and only group which includes the company and for which group financial statements are prepared.

Copies of the group financial statements of McLaren Technology Group Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.

Ownership of McLaren Technology Group Limited at 31 December 2015 was as follows: 50% Bahrain Mumtalakat Holding Company (incorporated in Bahrain), 25% R Dennis and 25% TAG Group Limited (incorporated in Jersey).