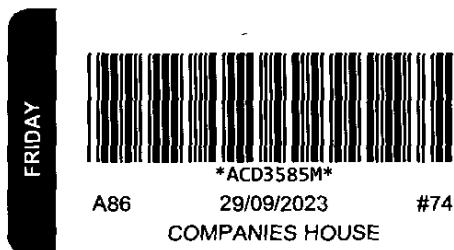


Company Registration No. 00717658

A & J Mucklow Group Limited

**Unaudited Annual Report and Financial
Statements**

For the year ended 31 March 2023



A & J Mucklow Group Limited

Unaudited annual report and financial statements for the year ended 31 March 2023

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A & J Mucklow Group Limited

Unaudited annual report and financial statements for the year ended 31 March 2023

Company information

Directors

Martin McGann
Andrew Jones
Valentine Beresford
Mark Stirling

Company Secretary

Jadzia Duzniak

Registered Office

1 Curzon Street
London
W1J 5HB

A & J Mucklow Group Limited

Directors' report

The directors present their report with the unaudited financial statements for the year ended 31 March 2023.

The business activity and future development of the Company is discussed in the strategic report on pages 4 to 5, along with the results and dividends.

Going concern

The accounts have been prepared on a going concern basis. The Company is in a net asset position but has net current liabilities. The Company's ultimate parent, LondonMetric Property Plc, has confirmed its continuing financial support by way of an intercompany loan to be provided as and when required and therefore the directors consider the Company is in a position to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months following the approval of these financial statements.

Directors

The present directors of the Company all of whom served throughout the year and subsequently, unless otherwise stated, are as shown on page 1.

None of the directors have a service agreement with the Company and they are not entitled to any compensation on termination of appointment or sale of the Company by the LondonMetric Property Plc group ("the Group").

The Group has arranged insurance cover in respect of legal action against its directors, which include the directors of the Company.

Audit exemption taken for the year ended 31 March 2023

The Company is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Act, as disclosed on page 211 of the LondonMetric Property Plc Annual Report and Accounts 2023. The ultimate holding company and controlling party is LondonMetric Property Plc.

On behalf of the Board



Martin McGann
Director

27 June 2023

A & J Mucklow Group Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. 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 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 accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the 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 and disclose with reasonable accuracy, at any time, the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A & J Mucklow Group Limited

Strategic report

The directors submit their strategic report for the year ended 31 March 2023. The directors in preparing this strategic report have complied with section 414c of the Companies Act 2006.

Business review and principal activities

The Company is a holding company for a number of Group subsidiaries. The directors do not anticipate any significant change in the principal activity in the foreseeable future.

The Company is also a guarantor under a £60 million facility entered into by a subsidiary, A. & J. Mucklow (Investments) Limited.

The Company is a wholly owned subsidiary of LondonMetric Property Plc and part of the LondonMetric Property Plc group ("the Group").

Results and dividends

The results for the Company show a pre-tax profit of £51,573,616 (2021/22: profit £34,130,276). Dividends of £101,900,000 were paid during the year (2021/22: £32,624,000). The Company has net assets of £280,616,963 (2021/22: £330,943,347) and net amounts owing from group companies of £462,590 (2021/22: £35,655,973).

Principal risks and uncertainties

The Company's operations expose it to a variety of risks. The principal risks that are potentially material to the Company and the policies for managing these risks are summarised below.

Strategic risks

- A & J Mucklow Group Limited has a number of subsidiaries with commercial properties that are their largest asset. Those properties are exposed to market risk. As an asset class real estate is sensitive to changes in interest rates and the material shift in monetary policy that saw the Bank of England's base rate increase from 0.75% to 4.5% over the year had a profound impact on values with the portfolio suffering a large revaluation loss. Operating performance may also be impacted by high interest rates and other economic factors including higher inflation and supply chain disruption that may be adversely affected further by global issues such as the war in Ukraine. It may also be impacted by structural changes within the retail sector resulting from changes in shopping habits which may cause assets to otherwise underperform against financial objectives. These factors may impact the holding value of the Company's investment in those subsidiaries. The A & J Mucklow Group Limited group mitigates this risk through its investment selection and it continues to actively monitor market conditions, investment and tenant performance on an asset by asset basis.

Financial risks

- The Company may have insufficient resources to implement strategy and meet financial liabilities as they fall due. It relies on parent company funding to counter this risk.
- Failure to comply with covenants could cause a default and accelerate A. & J. Mucklow (Investments) Limited's loan facility resulting in a call under the Company's guarantee under that facility. To mitigate this appropriate cure rights are contained within the loan and significant headroom is maintained within covenants which are tested six monthly. Headroom is taken into consideration in decision making.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that the KPIs relevant to understanding the development, performance and position of the business are profit before tax and net asset value. The results are disclosed above.

Creditor payment policy

It is the Company's policy that suppliers are paid in accordance with those terms and conditions agreed between the Company and the supplier, provided that all terms and conditions have been complied with.

A & J Mucklow Group Limited

Strategic report (continued)

Charitable and political donations

The Company did not make any charitable or political donations during the current or prior year.

On behalf of the Board

A handwritten signature in black ink that reads "Martin McGann". The signature is written in a cursive, flowing style.

Martin McGann
Director

27 June 2023

A & J Mucklow Group Limited

Profit and loss account Year ended 31 March 2023

	Notes	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Administration expenses	2	7,327	35,022
Impairment of investment in subsidiary companies	6	(21,740,329)	-
Operating (loss)/profit		(21,733,002)	35,022
Dividends received from subsidiaries		71,970,000	32,624,000
Finance income	3	4,438,361	4,011,452
Finance costs	4	(3,101,743)	(2,540,198)
Profit before tax		51,573,616	34,130,276
Tax	5	-	-
Profit after tax		51,573,616	34,130,276

All activities during the current and prior year are derived from continuing operations.

There are no other items of comprehensive income or expense in the current or prior year and therefore no statement of comprehensive income is shown.

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

A & J Mucklow Group Limited

Balance sheet As at 31 March 2023

	Notes	31 March 2023 £	31 March 2022 £
Non current assets			
Investment in subsidiaries	6	280,217,550	295,357,879
Amounts owing from Group undertakings	8	111,193,438	146,980,119
Total non current assets		391,410,988	442,337,998
Total assets		391,410,988	442,337,998
Current liabilities			
Trade and other payables	7	(63,177)	(70,505)
Total current liabilities		(63,177)	(70,505)
Total assets less current liabilities		391,347,811	442,267,493
Non-current liabilities			
Amounts owing to Group undertakings	8	(110,730,848)	(111,324,146)
Total non-current liabilities		(110,730,848)	(111,324,146)
Total liabilities		(110,794,025)	(111,394,651)
Net assets		280,616,963	330,943,347
Equity			
Called up share capital	9	15,823,708	15,823,708
Share premium		12,613,058	12,613,058
Redemption reserve		11,161,862	11,161,862
Retained earnings		241,018,335	291,344,719
Total equity		280,616,963	330,943,347

For the financial year ending 31 March 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of A & J Mucklow Group Limited (registered number 00717658) were approved by the Board of Directors and authorised for issue on 27 June 2023 and signed on its behalf by:



Martin McGann
Director

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

A & J Mucklow Group Limited

Statement of changes in equity Year ended 31 March 2023

	Share capital £	Share premium £	Capital Redemption reserve £	Retained earnings £	Total equity £
At 1 April 2022	15,823,708	12,613,058	11,161,862	291,344,719	330,943,347
Profit for the year	-	-	-	51,573,616	51,573,616
Dividends paid	-	-	-	(101,900,000)	(101,900,000)
At 31 March 2023	15,823,708	12,613,058	11,161,862	241,018,335	280,616,963

Year ended 31 March 2022

	Share capital £	Share premium £	Capital Redemption reserve £	Retained earnings £	Total equity £
At 1 April 2021	15,823,708	12,613,058	11,161,862	289,838,443	329,437,071
Profit for the year	-	-	-	34,130,276	34,130,276
Dividends paid	-	-	-	(32,624,000)	(32,624,000)
At 31 March 2022	15,823,708	12,613,058	11,161,862	291,344,719	330,943,347

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

A & J Mucklow Group Limited

Notes to the financial statements Year ended 31 March 2023

1. Significant accounting policies

a) General information

A & J Mucklow Group Limited is a private limited company incorporated in England under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 4 to 5.

b) Statement of compliance

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, financial instruments, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the Group accounts of LondonMetric Property Plc. The Group accounts of LondonMetric Property Plc are available to the public and can be obtained as set out in note 11.

c) Consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements on the basis that the Company and its subsidiary undertakings are consolidated in the Group accounts of the ultimate parent undertaking, LondonMetric Property Plc. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

d) Going concern

The financial statements have been prepared on a going concern basis. This is discussed further in the Directors' report on page 2.

e) Basis of preparation

The functional and presentational currency of the Company is sterling. The financial statements are prepared on the historical cost basis.

The accounting policies have been applied consistently in all material respects.

Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRS101 requires directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change is recognised over those periods.

A & J Mucklow Group Limited

Notes to the financial statements (continued) **Year ended 31 March 2023**

1. Significant accounting policies (continued)

e) Basis of preparation (continued)

The accounting policies subject to significant judgements and estimates are as follows:

Significant areas of estimation uncertainty

Valuation of investment in subsidiaries

The valuation of the Company's investment in subsidiaries is a critical part of its performance.

The Company carries its investment in subsidiaries at cost less provision for impairment with any impairment provision determined by reference to the net asset value of its subsidiaries.

f) Investment in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment.

g) Financial assets and financial liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual terms of the instrument.

Financial instruments under IFRS 9

i) Trade receivables

Trade receivables are initially recognised at their transaction price and subsequently carried at amortised cost.

ii) Trade and other payables

Trade payables and other payables are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

h) Finance costs and income

Finance costs include interest payable on borrowings.

Finance income includes interest receivable on funds invested, measured at the effective rate of interest on the underlying sum invested.

i) Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, together with any adjustment in respect of previous periods.

j) Dividends

Dividends on equity shares are recognised when they become legally payable.

2. Administration expenses

Employees

There were no employees directly employed by the Company during the current or prior year.

Directors' remuneration

The directors received no remuneration in respect of their services to the Company during the current or prior year. Messrs Jones and McGann are also directors of LondonMetric Property Plc, the Company's ultimate holding company, and their remuneration is disclosed in the financial statements of that company.

A & J Mucklow Group Limited

Notes to the financial statements (continued) Year ended 31 March 2023

3. Finance income

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Interest receivable on intercompany loan balance	<u>4,438,361</u>	<u>4,011,452</u>

4. Finance costs

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Interest payable on intercompany loan balance	<u>3,101,743</u>	<u>2,540,198</u>

5. Tax

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Current tax		
Current tax on profit for the year	-	-
Total tax on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax for the year

The tax charge differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Profit on ordinary activities before tax	<u>51,573,616</u>	<u>34,130,276</u>
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2021/22: 19%)	9,798,987	6,484,753
Effects of:		
Income not subject to tax	(13,674,300)	(6,198,560)
Expenses not deductible for tax	4,130,662	-
Group relief	(255,349)	(286,193)
Total tax on ordinary activities	<u>-</u>	<u>-</u>

A & J Mucklow Group Limited

Notes to the financial statements (continued)

Year ended 31 March 2023

5. Tax (continued)

Factors that may affect future tax charges

From 1 April 2023 the main rate of corporation tax increases from 19% to 25% for profits over £250,000. A small profits rate will apply for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

6. Investment in subsidiaries

	31 March 2023 £	31 March 2022 £
At 1 April	295,357,879	252,814,879
Additions	6,600,000	42,543,000
Impairment of investment	(21,740,329)	-
At 31 March	280,217,550	295,357,879

Investments are held at the lower of cost or net realisable value. The carrying value of the Company's investments was impaired following a review to assess the recoverable amount based on the net assets of the subsidiary companies.

At 31 March 2023 the Company has the following subsidiary undertakings:

	Country of incorporation	Proportion of voting rights held (by way of share capital held)	Nature of business
A&J Mucklow (Halesowen) Limited	England	100%	Property investment
A. & J. Mucklow (Investments) Limited	England	100%	Property investment
A&J Mucklow (Properties) Limited	England	100%	Property investment
Penbrick Limited	England	100%	Property investment
A&J Mucklow & Co Limited	England	100%	Property trading
A&J Mucklow (Nominees) Limited	England	100%	Administrative
A&J Mucklow (Birmingham) Limited	England	100%	Dormant
A&J Mucklow (Callowbrook Estate) Limited	England	100%	Dormant
A. & J. Mucklow (Estates) Limited	England	100%	Dormant
A&J Mucklow (Ettingshall Estate) Limited	England	100%	Dormant
A&J Mucklow (Lancashire) Limited	England	100%	Dormant
A and J Mucklow (Lands) Limited	England	100%	Dormant
A&J Mucklow (Wollescote Estate) Limited	England	100%	Dormant
Barr's Industrial Limited	England	100%	Dormant
Belfont Homes (Birmingham) Limited ⁽¹⁾	England	100%	Dormant

⁽¹⁾ Undertaking held indirectly by the Company.

A & J Mucklow Group Limited

Notes to the financial statements (continued) Year ended 31 March 2023

6. Investment in subsidiaries (continued)

All of the undertakings listed in this note operate in their country of incorporation and have the same registered office as the Company. All shares held are ordinary shares.

The Company is a wholly owned subsidiary of LondonMetric Property Plc and as such the Company did not prepare consolidated accounts for the year ended 31 March 2023. The above entities are not consolidated by the Company under the exemption provided by s400 of the Companies Act 2006.

7. Trade and other payables

	31 March 2023 £	31 March 2022 £
Trade payables	63,177	70,505

Trade payables are interest free and have settlement dates within one year. The directors consider that the carrying amount of trade and other payables approximates their fair value.

8. Amounts owing to or from Group undertakings

Intercompany loans have no fixed repayment terms and are interest bearing at the LondonMetric Property Plc group's cost of debt. The counterparties involved have agreed that they will not demand repayment of their intercompany loan balances within the next twelve months.

9. Share capital

	31 March 2023	31 March 2022
Number		
Ordinary shares of £0.25 each	63,294,833	63,294,833
Allotted, called up and fully paid		
Ordinary shares of £0.25 each	£15,823,708	£15,823,708

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

A dividend of £101,900,000 (£1.61 per share) was paid on 31 March 2023.

In the prior year dividends of £5,644,000 (8.92 pence per share) and £26,980,000 (42.63 pence per share) were paid on 30 September 2021 and 31 March 2022 respectively.

10. Contingent liabilities

The Company is a guarantor under a £60 million facility entered into by its subsidiary, A. & J. Mucklow (Investments) Limited.

11. Controlling party information

The Company's immediate and ultimate parent company is LondonMetric Property Plc. LondonMetric Property Plc is the parent of the smallest and largest group to prepare consolidated accounts that incorporate the Company. Copies of the consolidated accounts of LondonMetric Property Plc can be obtained from its registered office at 1 Curzon Street, London, W1J 5HB and its website www.londonmetric.com.