

Company Registration No. 00717658

**A & J Mucklow Group Limited**

**Unaudited Annual Report and Financial  
Statements**

**For the year ended 31 March 2021**



## **A & J Mucklow Group Limited**

### **Unaudited annual report and financial statements for the year ended 31 March 2021**

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# **A & J Mucklow Group Limited**

## **Unaudited annual report and financial statements for the year ended 31 March 2021**

### **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 2021. The comparative information presented within these financial statements relates to the period from 28 June 2019 to 31 March 2020.

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 2021**

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 pages 174 to 175 of LondonMetric Property Plc Annual Report and Accounts 2021. The ultimate holding company and controlling party is LondonMetric Property Plc.

On behalf of the Board



**Martin McGann**  
Director

27 July 2021

## **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 2021. 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.

#### **Results and dividends**

The results for the Company show a pre-tax profit of £269,473,391 (2019/20: loss £1,150,809). Dividends of £114,353,458 were paid during the year (2019/20: £nil). The Company has net assets of £329,437,071 (2019/20: £174,317,138) and net amounts owing from group companies of £76,698,707 (2019/20: owing to £11,410,624).

#### **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. The cyclical nature of the property market may result in a fall in property values or cause assets to otherwise underperform against financial objectives. Performance also depends on general economic conditions which may be adversely affected by the trade agreements negotiated by the UK following its exit from the EU and the current Covid-19 pandemic. 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 year or prior period.

On behalf of the Board

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

**Martin McGann**  
Director

27 July 2021

## A & J Mucklow Group Limited

### Profit and loss account Year ended 31 March 2021

	Notes	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Administration expenses	2	-	(16,748)
Impairment of investment in subsidiary companies	6	(13,635,548)	(414,337)
<b>Operating loss</b>		<b>(13,635,548)</b>	<b>(431,085)</b>
Dividends received from subsidiaries		282,973,329	-
Finance income	3	2,310,842	373,644
Finance costs	4	(2,175,232)	(1,093,368)
<b>Profit/(loss) before tax</b>		<b>269,473,391</b>	<b>(1,150,809)</b>
Tax	5	-	-
<b>Profit/(loss) after tax</b>		<b>269,473,391</b>	<b>(1,150,809)</b>

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

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

The notes on pages 9 to 14 form part of these financial statements.



## A & J Mucklow Group Limited

### Balance sheet As at 31 March 2021

	Notes	31 March 2021 £	31 March 2020 £
<b>Non current assets</b>			
Investment in subsidiaries	6	252,814,879	185,727,427
Amounts owing from Group undertakings	9	179,962,193	-
<b>Total non current assets</b>		<b>432,777,072</b>	<b>185,727,427</b>
<b>Current assets</b>			
Trade and other receivables	7	-	14,125,671
<b>Total current assets</b>		<b>-</b>	<b>14,125,671</b>
<b>Total assets</b>		<b>432,777,072</b>	<b>199,853,098</b>
<b>Current liabilities</b>			
Trade and other payables	8	(76,515)	(25,535,960)
<b>Total current liabilities</b>		<b>(76,515)</b>	<b>(25,535,960)</b>
<b>Total assets less current liabilities</b>		<b>432,700,557</b>	<b>174,317,138</b>
<b>Non-current liabilities</b>			
Amounts owing to Group undertakings	9	(103,263,486)	-
<b>Total non-current liabilities</b>		<b>(103,263,486)</b>	<b>-</b>
<b>Total liabilities</b>		<b>(103,340,001)</b>	<b>(25,535,960)</b>
<b>Net assets</b>		<b>329,437,071</b>	<b>174,317,138</b>
<b>Equity</b>			
Called up share capital	10	15,823,708	15,823,708
Share premium		12,613,058	12,613,058
Redemption reserve		11,161,862	11,161,862
Retained earnings		289,838,443	134,718,510
<b>Total equity</b>		<b>329,437,071</b>	<b>174,317,138</b>

For the financial year ending 31 March 2021 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 July 2021 and signed on its behalf by:

*Martin McGann*

**Martin McGann**  
Director

The notes on pages 9 to 14 form part of these financial statements.

## A & J Mucklow Group Limited

### Statement of changes in equity Year ended 31 March 2021

	Share capital £	Share premium £	Capital Redemption reserve £	Retained earnings £	Total equity £
At 1 April 2020	15,823,708	12,613,058	11,161,862	134,718,510	174,317,138
Profit for the year	-	-	-	269,473,391	269,473,391
Dividends paid	-	-	-	(114,353,458)	(114,353,458)
<b>At 31 March 2021</b>	<b>15,823,708</b>	<b>12,613,058</b>	<b>11,161,862</b>	<b>289,838,443</b>	<b>329,437,071</b>

### Period ended 31 March 2020

	Share capital £	Share premium £	Capital Redemption reserve £	Retained earnings £	Total equity £
At 28 June 2019	15,823,708	13,018,058	11,161,862	135,464,319	175,467,947
Loss for the period	-	-	-	(1,150,809)	(1,150,809)
Court approved reduction in share premium following cancellation of preference shares	-	(405,000)	-	405,000	-
<b>At 31 March 2020</b>	<b>15,823,708</b>	<b>12,613,058</b>	<b>11,161,862</b>	<b>134,718,510</b>	<b>174,317,138</b>

The notes on pages 9 to 14 form part of these financial statements.

## **A & J Mucklow Group Limited**

### **Notes to the financial statements Year ended 31 March 2021**

#### **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 12.

##### **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 except for the adoption of new and revised standards as noted below.

##### **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 2021**

#### **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.

## A & J Mucklow Group Limited

### Notes to the financial statements (continued) Year ended 31 March 2021

#### 2. Administration expenses

##### Employees

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

##### Audit fees

The auditor's remuneration for the prior period was borne by A. & J. Mucklow (Investments) Limited and is therefore disclosed in the financial statements for that company.

##### Directors' remuneration

The directors received no remuneration in respect of their services to the Company during the current 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.

In the prior period, all of the directors' remuneration was paid by either LondonMetric Property Plc, the Company's ultimate holding company, or A. & J. Mucklow (Investments) Limited, a subsidiary undertaking. For that period, the directors' remuneration is therefore disclosed in the financial statements of those relevant companies. The directors do not believe that it is practicable to apportion this amount between their qualifying services as directors of this company and their qualifying services as directors of the holding and subsidiary companies

#### 3. Finance income

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Interest receivable on intercompany loan balance	2,310,842	373,644

#### 4. Finance costs

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Interest payable on intercompany loan balance	2,175,232	494,126
Loss on repurchase of preference shares	-	599,242
	<u>2,175,232</u>	<u>1,093,368</u>

#### 5. Tax

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
<b>Current tax</b>		
Current tax on profit/(loss) for the year/period	-	-
<b>Total tax on ordinary activities</b>	<u>-</u>	<u>-</u>

## A & J Mucklow Group Limited

### Notes to the financial statements (continued) Year ended 31 March 2021

#### 5. Tax (continued)

##### Factors affecting tax for the year/period

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

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Profit/(loss) on ordinary activities before tax	269,473,391	(1,150,809)
Tax on profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019/20: 19%)	51,199,944	(218,654)
Effects of:		
Income not subject to tax	(53,764,932)	-
Expenses not deductible for tax	2,590,754	192,580
Group relief	(25,766)	26,074
<b>Total tax on ordinary activities</b>	<b>-</b>	<b>-</b>

##### Factors that may affect future tax charges

On 3 March 2021, it was announced that the main rate of corporation tax would increase from 19% to 25% for profits over £250,000 for the financial year beginning 1 April 2023. A small profits rate will also be introduced 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 2021 £	31 March 2020 £
At the beginning of the year/period	185,727,427	186,141,764
Additions	80,723,000	-
Impairment of investment	(13,635,548)	(414,337)
<b>At the end of the year/period</b>	<b>252,814,879</b>	<b>185,727,427</b>

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.

## A & J Mucklow Group Limited

### Notes to the financial statements (continued) Year ended 31 March 2021

#### 6. Investment in subsidiaries (continued)

At 31 March 2021 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 <sup>(1)</sup>	England	100%	Dormant

<sup>(1)</sup> Undertaking held indirectly by the Company.

All of the undertakings listed above 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 2021. The above entities are not consolidated by the Company under the exemption provided by s400 of the Companies Act 2006.

#### 7. Trade and other receivables

	31 March 2021 £	31 March 2020 £
Amounts owing from Group undertakings	-	14,125,336
VAT receivable	-	335
	<u>-</u>	<u>14,125,671</u>

All amounts fall due for payment in less than one year.

## A & J Mucklow Group Limited

### Notes to the financial statements (continued) Year ended 31 March 2021

#### 8. Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	76,515	-
Amounts owing to Group undertakings	-	25,535,960
	<u>76,515</u>	<u>25,535,960</u>

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.

#### 9. 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 weighted average cost of debt. The Company has agreed that it will not demand repayment of the net intercompany loan balance within the next twelve months.

#### 10. Share capital

	31 March 2021	31 March 2020
<b>Number</b>		
Ordinary shares of £0.25 each	<u>63,294,833</u>	<u>63,294,833</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £0.25 each	<u>£15,823,708</u>	<u>£15,823,708</u>

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

A dividend of £114,353,458 (£7.23 per share) was paid on 16 September 2020.

#### 11. Contingent liabilities

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

#### 12. 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](http://www.londonmetric.com).