

A & J MUCKLOW & CO LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2013



A & J MUCKLOW & CO LIMITED

DIRECTORS Rupert J Mucklow BSc
 D Justin Parker BSc MRICS
 David Wooldridge FCCA ACIS
 M David Folkes MCIOB

SECRETARY David Wooldridge FCCA ACIS

REGISTERED OFFICE 60 Whitehall Road
 Halesowen
 West Midlands
 B63 3JS

REGISTERED NUMBER 00384508 England and Wales

AUDITOR Deloitte LLP
 Birmingham, UK

ANNUAL REPORT AND ACCOUNTS - 30 JUNE 2013

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The following pages do not form part of the statutory accounts

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A & J MUCKLOW & CO LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the Audited Accounts of the company for the year ended 30 June 2013

The Directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006

ULTIMATE PARENT COMPANY

The company is the wholly owned subsidiary undertaking of the ultimate parent company A & J Mucklow Group plc registered number 00717658 in England and Wales

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of property development

RESULTS AND DIVIDENDS

The profit on ordinary activities before taxation amounted to £70,079 (2012 £1,613,376) No dividends were paid in the year (2012 £nil) No dividends have been paid since the year end

GOING CONCERN

In concluding that it is appropriate to prepare the accounts on a going concern basis, the directors have considered that the company is profit making and in a net assets position The company is generating income and is forecast to continue to do so in the future

The parent company has funding available to support this company in the form of a revolving credit facility which expires in 2018 £30,500,000 of the £44,000,000 available funding within the facility remains unutilised at the date of this report Thus the directors continue to adopt the going concern basis in preparing the financial statements

DIRECTORS

The Directors who served throughout the year were Rupert J Mucklow, D Justin Parker, David Wooldridge and M David Folkes

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year another Group company purchased and maintained liability insurance for its directors and officers as permitted by section 234 of the Companies Act 2006

A & J MUCKLOW & CO LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 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 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 judgments and accounting estimates that are reasonable and prudent, 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors at the date of approval of this report confirms that

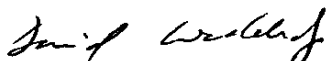
1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
2. the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

Deloitte LLP will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

Approved by the board of directors on 18 September 2013
and signed on their behalf by



David Wooldridge
Company Secretary

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF A & J MUCKLOW & CO LIMITED

We have audited the financial statements of A & J Mucklow & Co Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF A & J MUCKLOW & CO LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion.

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exception in preparing the directors report



Jonathan Dodworth (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
18 September 2013

A & J MUCKLOW & CO LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 £	2012 £
Turnover	2	10,922	1,706,861
Cost of sales		(1,946)	(169,711)
Gross profit		<u>8,976</u>	<u>1,537,150</u>
Administrative expenses		(32,784)	(30,552)
Other operating income		3,060	6,386
Operating (loss)/profit	3	<u>(20,748)</u>	<u>1,512,984</u>
(Loss)/profit on ordinary activities before interest		<u>(20,748)</u>	<u>1,512,984</u>
Interest receivable and similar income	5	<u>90,827</u>	<u>100,392</u>
Profit on ordinary activities before taxation		70,079	1,613,376
Taxation	6	<u>41,173</u>	<u>(130,431)</u>
Profit for the financial year		<u>111,252</u>	<u>1,482,945</u>

All activities derive from continuing operations

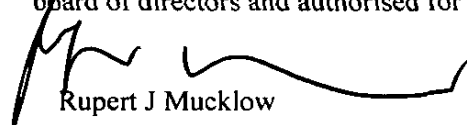
There are no recognised gains and losses other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented.

A & J MUCKLOW & CO LIMITED

BALANCE SHEET AS AT 30 JUNE 2013

		2013	2012
	NOTE	£	£
Current assets			
Trading properties	7	534,343	526,188
Debtors due	8	1,485,249	1,471,104
- within one year	8	122,025	162,024
- after more than one year		<u>2,141,617</u>	<u>2,159,316</u>
Creditors Amounts falling due within one year	9	<u>(1,495)</u>	<u>(130,446)</u>
Net current assets		2,140,122	2,028,870
Total assets less current liabilities		2,140,122	2,028,870
Net assets		<u>2,140,122</u>	<u>2,028,870</u>
Capital and reserves			
Called up share capital	10	212,160	212,160
Profit and loss account	11	1,927,962	1,816,710
Shareholders' funds		<u>2,140,122</u>	<u>2,028,870</u>

The financial statements of A & J Mucklow & Co Ltd, registered number 384508, were approved by the board of directors and authorised for issue on 18 September 2013


Rupert J Mucklow


David Wooldridge

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) Directors
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A & J MUCKLOW & CO LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	£	£
Profit for the financial year	111,252	1,482,945
Retained profit for the financial year	<u>111,252</u>	<u>1,482,945</u>
Net increase in shareholders' funds	<u>111,252</u>	<u>1,482,945</u>
Opening shareholders' funds at 1 July	2,028,870	545,925
Closing shareholders' funds at 30 June	<u>2,140,122</u>	<u>2,028,870</u>

1) Accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with all applicable United Kingdom accounting standards. All accounting policies have been applied consistently throughout the year and the preceding year. The financial statements are in compliance with the Companies Act 2006.

All accounting policies have been applied consistently throughout the year and the preceding year.

The accounts have been prepared on a going concern basis, for the reasons set out in the going concern section within the directors' report.

b) Rental income

Gross rental income represents rents receivable for the year. Rent increases arising from rent reviews due during the year are taken into account only to the extent that such reviews have been agreed with tenants at the accounting date.

Lease incentives are amortised on a straight-line basis over the period to the earlier of the next break date or the lease end.

All rental income arises in the UK.

c) Turnover and profits on sale of trading properties

Turnover and profits on sale of trading properties are taken into account on the completion of contracts. The amount of profit recognised is the difference between the sales proceeds and the carrying amount.

d) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Tax is recognised in the profit and loss account except for items that are reflected directly in reserves, where the tax is also recognised in reserves.

A & J MUCKLOW & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

30 JUNE 2013

1) Accounting policies (continued)

e) Cash flow statement

The directors have taken the exemption contained in Financial Reporting Standard No 1 (revised) from preparing a cash flow statement on the grounds that the Company is a wholly owned subsidiary of A & J Mucklow Group plc which itself has prepared a consolidated cash flow statement incorporating the Company

2) Turnover

	2013	2012
	£	£
Gross rental income	10,922	6,861
Sale of trading properties	-	1,700,000
	<u>10,922</u>	<u>1,706,861</u>

3) Operating (loss)/profit

	2013	2012
	£	£
(a) The analysis of the operating (loss)/profit is		
Rent for properties (net of outgoings)	10,922	6,861
Other operating income	3,060	6,386
Net (expenditure on)/income from trading properties	(1,946)	1,530,289
Administration expenses	<u>(32,784)</u>	<u>(30,552)</u>
	<u>(20,748)</u>	<u>1,512,984</u>

(b) The analysis of the auditor's remuneration for the Company is as follows

	2013	2012
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>1,250</u>	<u>1,250</u>

All audit costs are borne by A & J Mucklow (Investments) Limited. The costs incurred by A & J Mucklow (Investments) Limited on behalf of the company are shown above.

A & J MUCKLOW & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

30 JUNE 2013

4) Information regarding directors and employees

(a) Directors' remuneration

The directors are paid by another group company and the figures given below represent the allocation of the total cost for their services to A & J Mucklow & Co Limited

	2013	2012
	£	£
Emoluments	11,511	11,776
Company contributions to money purchase pension schemes	866	841
	<u>12,377</u>	<u>12,617</u>

The number of directors who:

	No.	No.
Are members of a money purchase pension scheme	<u>4</u>	<u>4</u>

(b) Staff numbers and costs

The average number of persons (directors) employed by the company during the year was as follows

	2013	2012
	No	No
Management	3	3
Residential Land Management	1	1
Total employees	<u>4</u>	<u>4</u>

(c) Pension arrangements

The company operated defined contribution plans for qualifying permanent staff invested with the Standard Life Assurance Company

5) Interest receivable and similar income

	2013	2012
	£	£
Intercompany interest	52,842	39,412
Other interest receivable	37,985	60,980
	<u>90,827</u>	<u>100,392</u>

A & J MUCKLOW & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

30 JUNE 2013

6) Taxation

	2013	2012
	£	£
<i>(a) Analysis of tax charge in period</i>		
<i>Current Tax</i>		
UK Corporation Tax on profits for the year	-	130,431
Adjustment in respect of prior years	(41,173)	-
Total Current tax (credit)/charge – see 6 (b)	<u>(41,173)</u>	<u>130,431</u>
 Tax on ordinary activities	 <u>(41,173)</u>	 <u>130,431</u>
 <i>(b) Factors affecting tax charge in period</i>		
Profit on ordinary activities before taxation	<u>70,079</u>	<u>1,613,376</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation tax of 23 75% (2012 25 5%)	 16,644	 411,411
Group relieved	(17,370)	(310,787)
Items not subject to tax	41,899	29,807
Adjustments in respect of prior years	(41,173)	-
Current tax (credit)/charge for the year – see note 6 (a)	<u>(41,173)</u>	<u>130,431</u>

(c) Factors that may affect future tax charges

A & J Mucklow Group plc, the ultimate holding company, became a Real Estate Investment Trust (REIT) on 1 July 2007. Under the REIT regime properties which are developed and then sold within three years do not benefit from the tax exemption provided to a REIT. No deferred tax has been provided in respect of this potential tax liability as the Group, of which A & J Mucklow & Co Limited is a member, has no current plans to dispose of development properties.

A reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was substantively enacted on 3 July 2012 and as such deferred tax at the balance sheet date has been recognised at the reduced rate and current tax for the year ended 30 June 2013 has been calculated at the blended rate of 23 75%. A reduction in the main rate of corporation tax to 21% with effect from 1 April 2014 and to 20% from 1 April 2015 was substantively enacted on 2 July 2013. As these future rate reductions had not been substantively enacted at the balance sheet date, they have not been reflected in these financial statements and their effect will be accounted for in the period they are substantively enacted.

7) Trading properties

	2013	2012
	£	£
Land and work in progress	<u>534,343</u>	<u>526,188</u>

The market value of the land and work in progress at 30 June 2013 was £1 87m (2012 £1 87m)

A & J MUCKLOW & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

30 JUNE 2013

8) Debtors

	2013 £	2012 £
<i>Falling due within one year</i>		
Corporation tax	5,742	-
Due from parent company	1,479,507	1,471,104
	<u>1,485,249</u>	<u>1,471,104</u>
<i>Falling due after more than one year</i>		
Mortgage loans	122,025	162,024
	<u>122,025</u>	<u>162,024</u>

The Mortgage loans are repayable on disposal of the properties charged

9) Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	1,480	-
Corporation tax	-	130,431
VAT	15	15
	<u>1,495</u>	<u>130,446</u>

10) Called up share capital

	2013 £	2012 £
<u>Allotted, called up and fully paid</u>		
212,160 Ordinary shares of £1 each	<u>212,160</u>	<u>212,160</u>

11) Reserves

	Profit and loss account £
At 1 July 2012	1,816,710
Profit for the year	111,252
At 30 June 2013	<u>1,927,962</u>

12) Contingent liabilities

All bank loans, overdrafts and revolving credit facilities of the holding company and the fellow subsidiary undertakings are secured by interlocking cross guarantees. Across the Group companies, there were outstanding liabilities of £32.0m (2012: £45.5m) under these guarantees at the year end.

13) Ultimate parent company and related party disclosure

The immediate and ultimate parent company and ultimate controlling party is A & J Mucklow Group plc, a company registered in England and Wales. Copies of the group financial statements of A & J Mucklow Group plc are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

As the company is a wholly owned subsidiary, it has taken advantage of the exception under Financial Reporting Standard No 8 "Related party disclosures" not to disclose transactions with other companies in the Group.

A & J MUCKLOW & CO LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	£	£
Gross and net rental income	10,922	6,861
Other operating income	<u>3,060</u>	<u>6,386</u>
	13,982	13,247
Land sales	-	1,700,000
Cost of sales	(1,946)	(169,711)
	<u>12,036</u>	<u>1,543,536</u>
Overhead expenses		
Professional fees	2,203	360
Provision for doubtful debts	-	(706)
Administration fees charged	<u>30,581</u>	<u>30,898</u>
	<u>(32,784)</u>	<u>(30,552)</u>
Operating (loss)/profit	<u>(20,748)</u>	<u>1,512,984</u>
(Loss)/profit on ordinary activities before interest	(20,748)	1,512,984
Sundry interest	52,842	60,980
Intercompany	37,985	39,412
	<u>90,827</u>	<u>100,392</u>
Interest payable	-	-
Net interest	<u>90,827</u>	<u>100,392</u>
Profit on ordinary activities before taxation	70,079	1,613,376
Taxation	<u>41,173</u>	<u>(130,431)</u>
Profit for the financial year	<u>111,252</u>	<u>1,482,945</u>

This page does not form part of the statutory accounts