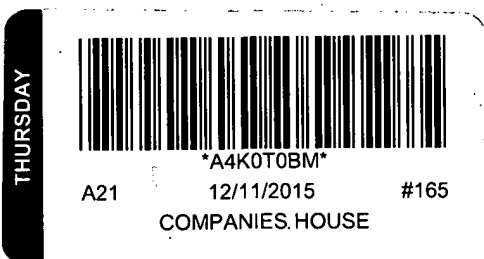


A & J MUCKLOW & CO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015



A & J MUCKLOW & CO LIMITED

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

COMPANY SECRETARY David Wooldridge FCCA ACIS

REGISTERED OFFICE 60 Whitehall Road
 Halesowen
 West Midlands
 B63 3JS

REGISTERED NUMBER 00384508 England and Wales

AUDITOR Deloitte LLP Chartered Accountants and Statutory Auditor
 Birmingham, UK

ANNUAL REPORT AND FINANCIAL STATEMENTS - 30 JUNE 2015

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A & J MUCKLOW & CO LIMITED

DIRECTORS' REPORT

The directors submit their Annual Report and the Audited Financial Statements of the company for the year ended 30 June 2015.

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

As a result of the small company's exemption, the company is not required to prepare a Strategic Report.

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 £31,296 (2014: £69,653). No dividends were paid or proposed in the year (2014: £nil). No dividends have been paid or proposed since the year end. Turnover has reduced as in the prior year the company sold a small piece of land which increased turnover for that year.

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. £28,500,000 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

DIRECTORS' REPORT (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:

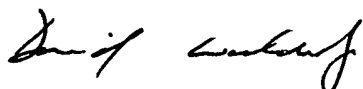
1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is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

The external audit for the year ended 30 June 2016 has been tendered during the year, as detailed in the Group's Audit Committee Report on pages 27 to 30 of the Group's annual report. Deloitte LLP were not invited to tender and will resign as the Company's auditor after completing the audit of this annual report and financial statements. In accordance with the recommendation of the Group Audit Committee, the Board intends to appoint KPMG LLP to fill the casual vacancy created. The Group Audit Committee have recommended resolutions to appoint KPMG LLP as the Parent Company's auditor and to authorise the Group Audit Committee to agree the auditor's remuneration at the Group's 2015 Annual General Meeting.

Approved by the board of directors on 19 October 2015
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 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 14. 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 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.

Opinion on other matter prescribed by the Companies Act 2006

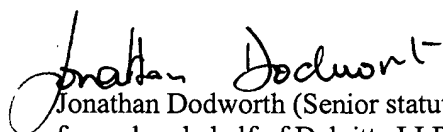
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 exemption from preparing a Strategic Report or 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

19 October 2015

A & J MUCKLOW & CO LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	NOTE	2015 £	2014 £
Turnover	2	9,542	53,916
Cost of sales		(12,332)	(16,578)
Gross (loss)/profit		<u>(2,790)</u>	<u>37,338</u>
Administrative expenses		(34,752)	(32,440)
Other operating income		5,835	3,605
Operating (loss)/profit	3	<u>(31,707)</u>	<u>8,503</u>
(Loss)/profit on ordinary activities before interest		<u>(31,707)</u>	<u>8,503</u>
Interest receivable and similar income	5	<u>63,003</u>	<u>61,150</u>
Profit on ordinary activities before taxation		31,296	69,653
Taxation	6	<u>-</u>	<u>-</u>
Profit for the financial year	11	<u><u>31,296</u></u>	<u><u>69,653</u></u>

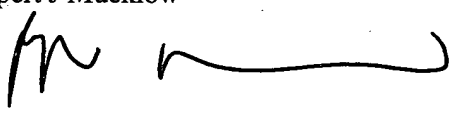
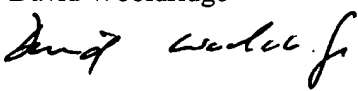
All activities derive from continuing operations.

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 2015

	NOTE	2015 £	2014 £
Current assets			
Trading properties	7	544,492	544,492
Debtors due	8	1,574,569	1,543,540
- within one year	8	122,025	122,025
- after more than one year		<u>2,241,086</u>	<u>2,210,057</u>
 Creditors: Amounts falling due within one year	9	<u>(15)</u>	<u>(282)</u>
Net current assets		2,241,071	2,209,775
Total assets less current liabilities		2,241,071	2,209,775
 Net assets		<u>2,241,071</u>	<u>2,209,775</u>
 Capital and reserves			
Called up share capital	10	212,160	212,160
Profit and loss account	11	2,028,911	1,997,615
 Shareholders' funds		<u>2,241,071</u>	<u>2,209,775</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 19 October 2015.

Rupert J Mucklow)
)
) Directors
) David Wooldridge
)

A & J MUCKLOW & CO LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	£	£
Profit for the financial year	31,296	69,653
Retained profit for the financial year	<u>31,296</u>	<u>69,653</u>
Net increase in shareholders' funds	<u>31,296</u>	<u>69,653</u>
Opening shareholders' funds at 1 July	2,209,775	2,140,122
Closing shareholders' funds at 30 June	<u>2,241,071</u>	<u>2,209,775</u>

A & J MUCKLOW & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 financial statements 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

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

	2015	2014
	£	£
Gross rental income	9,542	8,916
Sale of trading properties	-	45,000
	<u>9,542</u>	<u>53,916</u>

3) Operating (loss)/profit

	2015	2014
	£	£
(a) The analysis of the operating (loss)/profit is:		
Rent for properties (net of outgoings)	9,542	8,916
Other operating income	5,835	3,605
Net (expenditure on)/income from trading properties	(12,332)	28,422
Administration expenses	(34,752)	(32,440)
	<u>(31,707)</u>	<u>8,503</u>

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

	2015	2014
	£	£
Fees payable to the company's auditor for the audit of the company's annual financial statements	<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. No non-audit services were provided directly to this company in either the current or prior year.

A & J MUCKLOW & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

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.

	2015	2014
	£	£
Emoluments	12,838	12,621
Company contributions to money purchase pension schemes	918	892
	<u>13,756</u>	<u>13,513</u>
 The number of directors who:	 No.	 No.
Are members of a money purchase pension scheme	<u>4</u>	<u>4</u>

(b) Pension arrangements

The company operated defined contribution plans for qualifying permanent staff invested with Standard Life plc.

(c) Employees

The Company has no employees.

5) Interest receivable and similar income

	2015	2014
	£	£
Intercompany interest	63,003	61,018
Other interest receivable	-	132
	<u>63,003</u>	<u>61,150</u>

A & J MUCKLOW & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

6) Taxation

	2015 £	2014 £
<i>(a) Analysis of tax credit in period</i>		
<i>Current Tax</i>		
UK Corporation Tax on profits for the year	-	-
Adjustment in respect of prior years	-	-
Total current tax credit – see 6 (b)	-	-
Tax on ordinary activities	-	-
<i>(b) Factors affecting tax credit in period</i>		
Profit on ordinary activities before taxation	31,296	69,653
Profit on ordinary activities before taxation multiplied by standard rate of UK Corporation tax of 20.75% (2014: 22.5%)	6,494	15,672
Group relieved	(6,494)	(15,672)
Items not subject to tax	-	-
Adjustments in respect of prior years	-	-
Current tax credit for the year – see note 6 (a)	-	-

(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 21% to 20% from 1 April 2015 was substantively enacted on 2 July 2013 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 2015 has been calculated at the blended rate of 20.75%.

7) Trading properties

	2015 £	2014 £
Land and work in progress	544,492	544,492

The market value of the land and work in progress at 30 June 2015 was £1.94m (2014: £1.94m).

A & J MUCKLOW & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

8) Debtors

	2015 £	2014 £
<i>Falling due within one year:</i>		
Trade debtors	-	210
Due from parent company	1,574,569	1,543,330
	<u>1,574,569</u>	<u>1,543,540</u>
<i>Falling due after more than one year:</i>		
Mortgage loans	122,025	122,025
	<u>122,025</u>	<u>122,025</u>

The Mortgage loans are repayable on disposal of the properties charged.

9) Creditors: Amounts falling due within one year

	2015 £	2014 £
VAT	15	282
	<u>15</u>	<u>282</u>

10) Called up share capital

	2015 £	2014 £
<u>Allotted, called up and fully paid</u>		
212,160 Ordinary shares of £1 each	212,160	212,160
	<u>212,160</u>	<u>212,160</u>

11) Reserves

	Profit and loss account £
At 1 July 2014	1,997,615
Profit for the year	31,296
At 30 June 2015	<u>2,028,911</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 £35.75m (2014: £29.5m) under these guarantees at the year end.

A & J MUCKLOW & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

13) Ultimate parent company

The immediate and ultimate parent company and ultimate controlling party is A & J Mucklow Group plc, a company registered in England and Wales which is the largest and smallest level at which the entities results are consolidated. 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.

14) Related party disclosure

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 wholly owned companies in the Group.