Company Registration No. 00384508

A & J Mucklow & Co Limited

Unaudited Annual Report and Financial Statements

For the year ended 31 March 2021

A & J Mucklow & Co Limited

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

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Directors

Martin McGann
Andrew Jones
Valentine Beresford
Mark Stirling

Company Secretary

Jadzia Duzniak

Registered Office

1 Curzon Street
London
W1J 5HB

A & J Mucklow & Co 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.

Small companies note

The Company qualifies as a small company under section 382 of the Companies Act 2006 and accordingly has not produced a Strategic report. In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Business review and principal activities

The principal activity of the Company is property development. The directors do not anticipate any significant change in the principal activity in the foreseeable future.

The Company owns development land and currently receives wayleaves, grazing land rental and sundry income.

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

Going concern

The accounts have been prepared on a going concern basis. The Company is in a net current and net assets position. On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue as a going concern and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The results for the Company show a pre-tax profit of £56,173 (2019/20: profit £72,950). Dividends of £2,816,629 were paid during the year (2019/20: £nil). The Company has net assets of £247,548 (2019/20: £3,008,004) and amounts owing from group companies of £80,896 (2019/20: £2,841,555).

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 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

Martin McGann
Director

15 July 2021

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 period. 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; 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 & Co Limited

Profit and loss account
Year ended 31 March 2021

	Notes	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Gross rental income		12,095	6,718
Property operating expenses		(2,536)	(2,760)
Net rental income		9,559	3,958
Administration expenses	2	-	3,250
Operating profit		9,559	7,208
Finance income	3	46,614	65,742
Profit before tax		56,173	72,950
Tax	4	-	-
Profit after tax		56,173	72,950

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 7 to 12 form part of these financial statements.

A & J Mucklow & Co Limited

Balance sheet
As at 31 March 2021

	Notes	31 March 2021 £	31 March 2020 £
Non-current assets			
Non current trade and other receivables	5	86,875	86,875
Total non-current assets		86,875	86,875
Current assets			
Trading property	6	81,557	81,557
Trade and other receivables	7	80,896	2,846,182
Total current assets		162,453	2,927,739
Total assets		249,328	3,014,614
Current liabilities			
Trade and other payables	8	(1,780)	(6,610)
Total current liabilities		(1,780)	(6,610)
Total assets less current liabilities		247,548	3,008,004
Total liabilities		(1,780)	(6,610)
Net assets		247,548	3,008,004
Equity			
Share capital	10	212,160	212,160
Retained earnings		35,388	2,795,844
Total equity		247,548	3,008,004

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 & Co Limited (registered number 00384508) were approved by the Board of Directors and authorised for issue on 15 July 2021 and signed on its behalf by:

Martin McGann

Martin McGann
Director

The notes on pages 7 to 12 form part of these financial statements.

A & J Mucklow & Co Limited

Statement of changes in equity
Year ended 31 March 2021

	Share capital £	Retained earnings £	Total equity £
At 1 April 2020	212,160	2,795,844	3,008,004
Profit for the year	-	56,173	56,173
Dividends paid	-	(2,816,629)	(2,816,629)
At 31 March 2021	212,160	35,388	247,548

Period ended 31 March 2020

	Share capital £	Retained earnings £	Total equity £
At 28 June 2019	212,160	2,722,894	2,935,054
Profit for the period	-	72,950	72,950
At 31 March 2020	212,160	2,795,844	3,008,004

The notes on pages 7 to 12 form part of these financial statements.

1. Significant accounting policies

a) General information

A & J Mucklow & Co 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 business review on page 2.

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) Going concern

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

d) 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.

e) Trading property

Trading properties held for resale are stated at the lower of cost and net realisable value.

f) Cost or properties

Costs associated with properties under the course of development include total development outgoings, including interest, attributable to properties held for development is added to the cost of such properties. A property is regarded as being in the course of development until practical completion.

1. **Significant accounting policies (continued)**

g) Net rental income

Rental income from property leased out under an operating lease is recognised in profit or loss on a straight line basis over the lease term.

Contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Surrender premiums receivable are recognised on completion of the surrender.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earlier of the first break option or the lease termination date. Lease incentives and costs associated with entering into tenant leases are amortised over the period from the date of lease commencement to the earlier of the first break option or the lease termination date.

Property operating expenses are expensed as incurred and any property operating expenditure not recovered from tenants through service charges is charged to the profit and loss account.

h) Profit and loss on sale of trading properties

Profits and losses on sales of trading properties are calculated by reference to the carrying value at the previous period end, adjusted for subsequent capital expenditure.

The Company recognises property transactions at the point of completion of contracts.

i) 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 as the Company's business model is to collect the contractual cash flows due from tenants. An impairment provision is created based on lifetime expected credit losses, which reflect the Company's historical credit loss experience and an assessment of current and forecast economic conditions at the reporting date.

ii) Mortgage receivables

Mortgage receivables held by the Company are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in note 5. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, which are recognised directly in the profit and loss account and other comprehensive income.

iii) Trade 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.

Notes to the financial statements
Year ended 31 March 2021

1. **Significant accounting policies (continued)**

j) Finance costs and income

Net finance costs include interest payable on borrowings, net of interest capitalised and finance costs amortised.

Interest is capitalised if it is directly attributable to the acquisition, construction or redevelopment of development properties from the start of the development work until practical completion of the property. Capitalised interest is calculated with reference to the actual interest rate payable on specific borrowings for the purposes of development or, for that part of the borrowings financed out of general funds, with reference to the parent Group's weighted average cost of borrowings.

Finance income includes interest receivable on funds invested at the effective rate and notional interest receivable on forward funded developments at the contractual rate.

k) Tax

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

l) dividends

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

2. **Administration expenses**

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

Directors' remuneration

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

3. **Finance income**

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Interest receivable on intercompany loan balance	46,614	65,742

4. **Tax**

	Year ended 31 March 2021 £	Period ended 31 March 2020 £
Current tax		
Current tax on profit for the year/period	-	-
Total tax on ordinary activities	-	-

4. 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 on ordinary activities before tax	56,173	72,950
Tax on profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019/20: 19%)	10,673	13,861
Effects of:		
Group relief	(10,673)	(13,861)
Total tax on ordinary activities	-	-

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.

5. Non-current trade and other receivables

	31 March 2021 £	31 March 2020 £
Mortgage receivables	86,875	86,875

The directors consider that the carrying amount of trade and other receivables is their fair value. Fair value is determined by discounting the expected future value of repayments

The mortgages are receivable on the disposal of the secured properties and are classified as available for sale assets carried at fair value in accordance with IFRS 7.

6. Trading property

	31 March 2021 £	31 March 2020 £
Land stock	81,557	81,557

A & J Mucklow & Co Limited

Notes to the financial statements
Year ended 31 March 2021

7. Trade and other receivables

	31 March 2021 £	31 March 2020 £
Trade receivables	-	4,000
Amounts owing from Group undertakings	80,896	2,841,555
VAT recoverable	-	627
	80,896	2,846,182

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

Trade receivables comprise rental income which is due on contractual days with no credit period. At 31 March 2021 and the prior period end no trade receivables were overdue and considered at risk.

The balance owing from Group undertakings is due from A & J Mucklow Group Limited and may be repaid through the payment of a dividend by the Company within the next 12 months and therefore this debtor has been classified as due within one year.

8. Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	1,725	3,000
Rent received in advance	-	3,610
VAT payable	55	-
	1,780	6,610

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 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.

10. Share capital

	31 March 2021	31 March 2020
Number		
Ordinary shares of £1 each	212,160	212,160
Allotted, called up and fully paid		
Ordinary shares of £1 each	212,160	212,160

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

A dividend of £2,816,629 (£13.28 per share) was paid on 16 September 2020.

11. Controlling party information

The Company's immediate parent company is A & J Mucklow Group Limited and the 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.