

A & J Mucklow (Halesowen) Limited
Annual Report and Financial Statements
for the year ended 30 June 2016



Directors	Rupert Jeremy Mucklow David Justin Parker David Ian Wooldridge Mark Thomas Vernon
Company Secretary	David Ian Wooldridge
Registered Office	60 Whitehall Road Halesowen West Midlands B63 3JS
Registered number	04848576 England and Wales
Auditor	KPMG LLP, Chartered Accountants and Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

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A & J MUCKLOW (HALESOWEN) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 June 2016.

Principal activities

The principal activity of the company is that of property development and investment.

Results

The profit for the year and the dividends paid and proposed are set out in the Profit and Loss Account and Other Comprehensive Income and notes. The net profit before taxation for the year was £1,868,283 (2015: £89,372 loss).

Going Concern

The going concern risks are mitigated by the receipt of ongoing support from A & J Mucklow Group plc as evidenced by a letter of financial support received from the company. This support will enable A & J Mucklow (Halesowen) Limited to pay its debts as and when they fall due and is provided for a period of not less than twelve months from the date the Directors' Report is signed, for the accounts for the period ending 30 June 2016.

The parent company has funding available to support this company in the form of a revolving credit facility which expires in 2018. £19,000,000 of the £44,000,000 available funding within the facility remains unutilised at the date of this report.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Dividends

There have been no dividends paid or proposed in the year. No dividends have been paid or proposed since the year end (2015: £nil).

Donations

No political contributions were made during the year (2015: nil) and donations to local and national charities amounted to £nil (2015: £nil).

Directors

The directors listed on page 2 constituted the Board during the year, and up to the date of signing the annual report.

Directors' and officers' liability insurance

During the year the Company purchased and maintained liability insurance for its directors and officers as permitted by Section 234 of the Companies Act 2006.

Auditor

The Board appointed KPMG LLP as auditor to the company following the completion of the prior year audit.

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

A & J MUCKLOW (HALESOWEN) LIMITED

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to the 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.

Directors' Responsibilities Statement

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 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 of the company for that period. In preparing these financial statements, the directors are required to:

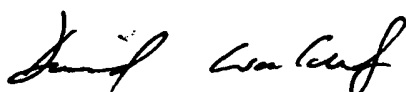
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Events since 30 June 2016

There were no material events since 30 June 2016 to report.

By order of the Board



David Wooldridge

Secretary

60 Whitehall Road, Halesowen, West Midlands, B63 3JS

15 December 2016

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

We have audited the financial statements of A & J Mucklow (Halesowen) Limited for the year ended 30 June 2016 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

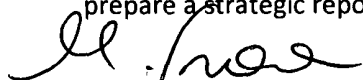
Opinion on other matter prescribed by the Companies Act 2006

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

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 the requirement to prepare a strategic report.



Michael Froom (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill, Snow Hill Queensway

Birmingham, B4 6GH

15 December 2016

Registered Number 04848576

A & J MUCKLOW (HALESOWEN) LIMITED

**Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2016**

	Notes	2016 £	2015 £
Gross rental income relating to investment properties		-	-
Property outgoings	3	(12,367)	(17,219)
Net rental expenditure relating to investment properties		(12,367)	(17,219)
Administration expenses		(87,990)	(55,983)
Operating loss before net gains on investment and development properties		(100,357)	(73,202)
Revaluation of investment and development properties	8	1,977,000	-
Operating profit/(loss)		1,876,643	(73,202)
Total finance income		176	445
Total finance costs		(8,536)	(16,615)
Net finance costs	6	(8,360)	(16,170)
Profit/(loss) before tax	4	1,868,283	(89,372)
Tax	7	-	-
Profit for the financial year being total comprehensive income for the year attributable to the owners of the parent		1,868,283	(89,372)

All operations are continuing.

The notes on pages 9 to 17 form part of the Financial Statements.

A & J MUCKLOW (HALESOWEN) LIMITED

**Balance Sheet
at 30 June 2016**

	Notes	2016 £	2015 £
Non-current assets			
Investment and development properties	8	8,073,026	6,073,026
		8,073,026	6,073,026
Current assets			
Trade and other receivables	9	2,156	3,600
Cash and cash equivalents	10	-	395,095
		2,156	398,695
Total assets		8,075,182	6,471,721
Current liabilities			
Trade and other payables	11	(229,001)	(493,823)
		(229,001)	(493,823)
Total liabilities		(229,001)	(493,823)
Net assets		7,846,181	5,977,898
Equity			
Called up ordinary share capital	13	1	1
Retained earnings		7,846,180	5,977,897
Total equity		7,846,181	5,977,898

These financial statements were approved by the Board on 15 December 2016 and were signed on its behalf by:

David Justin Parker
Director



David Wooldridge
Director



Company registered number: 04848576

The notes on pages 9 to 17 form part of the financial statements.

A & J MUCKLOW (HALESOWEN) LIMITED

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2014	1	6,067,269	6,067,270
Profit or loss	-	(89,372)	(89,372)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(89,372)	(89,372)
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 30 June 2015	1	5,977,897	5,977,898
Profit or loss	-	1,868,283	1,868,283
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	1,868,283	1,868,283
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Total contributions by and distributions to owners			
Balance at 30 June 2016	1	7,846,180	7,846,181

Notes to the Financial Statements

1 Accounting policies

A & J Mucklow (Halesowen) Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. In the transition to FRS 101 from old UK GAAP, the Company has made no measurement and recognition adjustments.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemption has been taken in these financial statements:

- Fair value or revaluation as deemed cost – At 1 July 2014, fair value has been used as deemed cost for properties previously measured at fair value.

The Company's parent undertaking A & J Mucklow Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of A & J Mucklow Group plc are prepared in accordance with International Financial Reporting Standards and may be obtained from 60 Whitehall Road, Halesowen, West Midlands, B63 3JS.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures.

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and investment properties;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel;

As the consolidated financial statements of A & J Mucklow Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payment; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

Notes to the Financial Statements

1 Accounting policies (continued)

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 July 2014 for the purposes of the transition to FRS 101.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below in note 1.

Going concern

The parent company provides ongoing financial support to the company. As at 30 June 2016 the parent company had £27.0m of undrawn banking facilities and had drawn down £18.0m from its HSBC £44m 2018 Revolving Credit Facility. The parent company's £1.0m overdraft, which is due for renewal within 12 months of the date of this document, was undrawn.

Given these revolving credit facilities, which have been subsequently refinanced for a further five year term, the Group's low gearing level of 25% and £138.4m of unencumbered properties, significant capacity exists to raise additional finance or to provide additional security for existing facilities, should property values fall. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of estimates and assumptions that affect reported amounts of assets and liabilities during the reporting period. These estimates and assumptions are based on management's best knowledge of the amount, event or actions. Actual results may differ from those amounts.

Management has made judgements over the valuation of properties that has a significant effect on the amounts recognised in the financial statements. Management has used the valuation performed by its independent valuers as the fair value of its investment, development, owner-occupied and trading properties. The valuation is based upon assumptions including future rental income and an appropriate discount rate. The valuers also use market evidence of transaction prices for similar properties.

Significant accounting policies

Revenue recognition

Dividends and interest income

Dividend income from investments in subsidiaries is recognised when shareholders' rights to receive payment have been established.

Interest income is recognised on an accruals basis when it falls due.

Notes to the Financial Statements

1 Accounting policies (continued)

Cost of properties

An amount equivalent to the 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.

Interest associated with direct expenditure on investment properties which are undergoing development or major refurbishment and development properties is capitalised. Direct expenditure includes the purchase cost of a site or property for development properties, but does not include the original book cost of investment property under development or refurbishment. Interest is capitalised gross from the start of the development work until the date of practical completion, but is suspended if there are prolonged periods when development activity is interrupted. The rate used is the rate on specific associated borrowings or, for that part of the development costs financed out of general funds, the average rate.

Valuation of properties

Investment properties are valued at the balance sheet date at fair value. Where investment properties are being redeveloped the property continues to be treated as an investment property. Surpluses and deficits attributable to the Group arising from revaluation are recognised in the profit and loss account and other comprehensive income. Valuation surpluses reflected in retained earnings are not distributable until realised on sale.

Properties under development, which were not previously classified as investment properties, are valued at fair value until practical completion, when they are transferred to investment properties. Valuation surpluses and deficits attributable to properties under development are recognised in the profit and loss account and other comprehensive income.

Share-based payments

The cost of granting equity-settled share options and other share-based remuneration is recognised in the profit and loss account and other comprehensive income at their fair value at grant date. They are expensed straight-line over the vesting period, based on estimates of the shares or options that eventually vest. Options are valued using the Monte Carlo simulation model.

Deferred taxation

Deferred taxation is provided in full on temporary differences that result in an obligation to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Temporary differences arise from the inclusion of items in taxation computations in periods different from when they are included in the financial statements. Deferred tax is provided on temporary differences arising from the revaluation of fixed assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

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 and other comprehensive income 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 and other comprehensive income except for items that are reflected directly in equity, where the tax is also recognised in equity.

Notes to the Financial Statements

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for any amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled, or they expire.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of future cash flows discounted at the effective rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2 Revenue

	2016 £	2015 £
Finance income (note 6)	176	445
Total revenue	176	445

All revenue arose in the United Kingdom in both the current and prior year.

3 Property costs

	2016 £	2015 £
Other property expenses	12,367	17,219
	12,367	17,219

A & J MUCKLOW (HALESOWEN) LIMITED

Notes to the Financial Statements

4 Profit for the year

	2016 £	2015 £
Profit/(loss) for the year has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	1,813	1,434
Loss/(profit) on the sale of property, plant and equipment	(645)	31
Net gains on revaluation of investment and development properties*	(1,977,000)	-
Staff costs (see note 5)	37,095	29,400

The above expenses were borne by A & J Mucklow (Investments) Limited, a fellow subsidiary company, and the figures shown in the table above represent the amounts recharged to the company, except where marked with a *.

Auditor's remuneration — KPMG LLP (2015: Deloitte LLP)

	2016 £	2015 £
Fees payable to the Company's auditor and their associates for the audit of the Company's annual financial statements	1,250	1,250
Total audit fees	1,250	1,250
Audit related assurance services	1,000	-
Taxation compliance services	-	245
Other taxation advisory services	-	49
Total non-audit fees	1,000	294

The fees paid in 2016 relate to KPMG LLP and in 2015 to Deloitte LLP. The fees paid to KPMG LLP in the current year in respect of audit related services relate to services for transition from old UK GAAP to FRS 101.

5 Staff costs (including directors)

Staff numbers and costs

The average monthly number of persons employed by the Group (including directors) during the year was as follows:

	2016 Number	2015 Number
Management	3	3
Property	1	1
Total employees	4	4

The aggregated payroll costs (including directors) were as follows:

	2016 £	2015 £
Wages and salaries	28,053	21,431
Share-based payment	3,613	3,000
Social security costs	3,657	3,352
Pension costs	1,772	1,617
	37,095	29,400

All payroll costs are borne by A & J Mucklow (Investments) Limited, a fellow subsidiary company, and the figures shown in the table above represent the amounts recharged to the company.

A & J MUCKLOW (HALESOWEN) LIMITED

Notes to the Financial Statements

6 Net finance costs

	2016 £	2015 £
Finance costs on:		
Intercompany interest	8,536	16,615
Total finance costs	8,536	16,615
Finance income on:		
Short-term deposits	176	445
Total finance income	176	445
Net finance costs	8,360	16,170

7 Taxation

Analysis of charge in year:

	2016 £	2015 £
Current tax		
- Corporation tax	-	-
- Adjustment in respect of previous years	-	-
Deferred tax	-	-
Total tax credit in the profit and loss account and other comprehensive income	-	-

The tax charge/(credit) for the year can be reconciled to the profit per the the profit and loss account and other comprehensive income as follows:

	2016 £	2015 £
Profit/(loss) before tax	1,868,283	(89,372)
Profit before tax multiplied by the standard rate of UK corporation tax of 20% (2015: 20.75%)	373,657	(18,545)
Effect of:		
REIT exempt income and gains	(373,622)	18,637
Group relieved	(35)	(92)
	-	-

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. Deferred tax has been calculated based on these rates as at 30 June 2016.

A & J Mucklow Group plc, the ultimate holding company, became a Real Estate Investment Trust (REIT) on 1 July 2007. Under the tax rules which apply to REITs properties which are developed and sold within three years of completion do not benefit from the normal REIT tax exemption on disposal gains. The company currently owns £nil (2015: £nil) of properties which have completed development during the previous three years. If these properties had been disposed of at their 30 June 2016 valuation, then tax of £nil (2015: £nil) would have become payable. No deferred tax has been provided in respect of this potential tax liability as the Group had no plans to dispose of these properties at the balance sheet date.

A & J MUCKLOW (HALESOWEN) LIMITED

Notes to the Financial Statements

8 Investment and development properties

Group	Investment £	Development £	Total £
At 30 June 2014	-	6,000,000	6,000,000
Additions	-	73,026	73,026
At 1 July 2015	-	6,073,026	6,073,026
Additions	-	23,000	23,000
Revaluation gain	-	1,977,000	1,977,000
At 30 June 2016	-	8,073,026	8,073,026

The closing book value shown above comprises £8,073,026 (2015: £6,073,026) of freehold and £nil (2015: £nil) of leasehold properties.

	Freehold £	Leasehold £	Total £
Properties held at valuation on 30 June 2016:			
Cost	11,205,072	-	11,205,072
Valuation deficit	(3,132,046)	-	(3,132,046)
Valuation	8,073,026	-	8,073,026

	Freehold £	Leasehold £	Total £
Properties held at valuation on 30 June 2015:			
Cost	11,182,072	-	11,182,072
Valuation deficit	(5,109,046)	-	(5,109,046)
Valuation	6,073,026	-	6,073,026

The properties are stated at their 30 June 2016 fair value and are valued by Cushman & Wakefield, professionally qualified external valuers, in accordance with the RICS Valuation Professional Standards published by the Royal Institution of Chartered Surveyors. Cushman & Wakefield have recent experience in the relevant location and category of the properties being valued. Cushman & Wakefield is the trading name of DTZ Debenham Tie Leung Limited.

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. Since that date Cushman & Wakefield have monitored market transactions and market sentiment in arriving at their opinion of Market Value/Fair Value.

There is still a shortage of comparable evidence of arm's length transactions since the Referendum in many sectors of the market. Cushman & Wakefield had, therefore, to exercise a greater degree of judgement than would be applied under more liquid market conditions.

A & J MUCKLOW (HALESOWEN) LIMITED

Notes to the Financial Statements

8 Investment and development properties (continued)

	2016 £	2015 £
C&W valuation	8,000,000	6,000,000
Other adjustments	73,026	73,026
Investment and development properties as at 30 June	8,073,026	6,073,026

9 Trade and other receivables

	2016 £	2015 £
Falling due in less than one year:		
Trade debtors	1,667	3,600
VAT debtor	489	-
	2,156	3,600

The Group has provided fully for those receivable balances that it does not expect to recover. This assessment has been undertaken by reviewing the status of all significant balances that are past due and involves assessing both the reason for non-payment and the creditworthiness of the counterparty.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

10 Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	-	395,095

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

11 Trade and other payables

	2016 £000	2015 £000
Amounts due to Group undertakings	229,001	490,314
Accruals	-	3,509
	229,001	493,823

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. For most suppliers interest is charged if payment is not made within the required terms. Thereafter, interest is chargeable on the outstanding balances at various rates. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timescale.

A & J MUCKLOW (HALESOWEN) LIMITED

Notes to the Financial Statements

12 Deferred tax

The Company has no deferred tax asset or liability.

13 Share capital

	2016 £	2015 £
Authorised Equity		
1 (2015: 1) Ordinary shares of £1 each	1	1
Allotted, Called Up and Fully Paid Equity		
1 (2015: 1) Ordinary shares of £1 each	1	1

14 Contingent liabilities

The bank overdrafts and loans of the Group are secured by interlocking cross guarantees given by the Company and subsidiary undertakings. All of the overdrafts and loans are included in the Group balance sheet.

The Company has, in the normal course of business, given guarantees in respect of development contracts.

15 Related parties

As a wholly owned subsidiary of A & J Mucklow Group plc, the Company has taken advantage of the exemption available under FRS101 not to disclose transactions that have been made between the Company and other fellow subsidiaries of A & J Mucklow Group plc.

16 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of A & J Mucklow Group plc which is the ultimate parent company incorporated in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by A & J Mucklow Group plc, incorporated in England. The consolidated financial statements of the group is available to the public and may be obtained from 60 Whitehall Road, Halesowen, West Midlands, B63 3JS.

17 Subsequent events

There were no material events since 30 June 2016 to report.