

1473324 / 26.
REGISTRARS

JACK LUNN (HOLDINGS) LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30 April 1982



JACK LUNN (HOLDINGS) LIMITED

DIRECTORS

J. Lunn Chairman

H. Lunn

R. Lunn

G. Lunn

D. Lunn

SECRETARY AND REGISTERED OFFICE

J. Lunn, Progress House, 99 Bradford Road, Pudsey, LS28 6AT

AUDITORS

Binder Hamlyn, Chartered Accountants,
Tower House, Merrion Way, Leeds, LS2 8HU

BANKERS

Barclays Bank PLC, 1 Manor House Street, Low Town, Pudsey,
LS28 7BH

JACK LUNN (HOLDINGS) LIMITED

Notice is given that the Second Annual General Meeting of the company will be held at Cedar Gables, 1 Springwood Road, Off Oakwood Lane, Leeds LS8 2QA on Monday 22 November 1982 at 8.30 p.m. for the following purposes:-

- To receive and adopt the report of the directors and statement of accounts for the year ended 30 April 1982 together with the report of the auditors.
- To re-elect as directors
J. Lunn
H. Lunn
- To re-appoint Binder Hamlyn, as auditors, and to authorise the directors to fix their remuneration for the ensuing year.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the company.

By order of the board



Secretary

25 October 1982

JACK LUNN (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

Accounts

The directors present their report and audited accounts for the year ended 30 April 1982.

Activities

The principal activities of the group are those of building, contracting and the letting of furnished and unfurnished properties.

State of Affairs

The state of the group's and company's affairs is as set out in the accounts on pages 6 to 14.

The directors do not recommend payment of a dividend for the year ended 30 April 1982.

Tax Status

In the opinion of the directors the company is a close company within the meaning of Section 282 Income and Corporation Taxes Act 1970.

Fixed Assets

Details of changes in fixed assets are given in note 5 to the accounts. In the opinion of the directors the market value of interests in land including buildings held as fixed assets at 30 April 1982 exceeded its book value by £650,000.

Directors

The members of the board and their respective interests in the shares of the company as disclosed in the company's register of directors' share interests, were as stated below. These interests were all beneficially held.

	Class of share	Number held
		30 April 1982 and 1 May 1981
J. Lunn	Ordinary	1,125
H. Lunn	Ordinary	1,375
R. Lunn	Ordinary	7,500
G. Lunn	Ordinary	7,500
D. Lunn	Ordinary	7,500

J. Lunn and H. Lunn retire at the annual general meeting and being eligible, offer themselves and are recommended for re-election.

Auditors

The auditors, Binder Hamlyn, offer themselves, and are recommended, for re-appointment under the provisions of Section 14(1) Companies Act 1976.

On behalf of the board

Chairman
25 October 1982



REPORT OF THE AUDITORS TO THE MEMBERS OF

JACK LUNN (HOLDINGS) LIMITED

We have audited the accounts on pages 6 to 14 in accordance with approved Auditing Standards.

The accounts have been prepared under the historical cost convention, freehold properties costing £487,728 held by a subsidiary company were revalued by the directors during the year ended 30 April 1980, at a current market value of £1,090,999, on an existing use basis, upon which we are unable to give an opinion.

Subject to this, in our opinion the accounts give a true and fair view of the state of affairs of both the company and group at 30 April 1982 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

CHARTERED ACCOUNTANTS

25 October 1982

JACK LUNN (HOLDINGS) LIMITED

• GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1982

	Notes	£	1982 £	£	1981 £
Turnover	1		2,779,446		3,758,468
Profit before tax			<u>219,344</u>		<u>265,512</u>
after charging:					
Directors' emoluments	2	148,450		111,107	
Auditors' remuneration		8,725		8,130	
Depreciation	5	32,691		37,476	
Hire of plant and equipment		51,985		54,578	
Interest	3	125,897		173,892	
			<u></u>	<u></u>	
Tax	4		31,098		(402,099)
Profit after tax attributable to the members of Jack Lunn (Holdings) Limited			<u>188,246</u>		<u>667,611</u>

None of the profit attributable to the members of Jack Lunn (Holdings) Limited has been dealt with in the accounts of that company.

The notes on pages 10 to 14 form part of these accounts.

JACK LUNN (HOLDINGS) LIMITED

GROUP BALANCE SHEET AT 30 APRIL 1982

	Notes	1982		1981	
		£	£	£	£
EMPLOYMENT OF CAPITAL					
Fixed assets	5		1,751,150		1,755,052
Current assets					
Stock and work in progress	7	1,380,391		967,575	
Land bank		537,951		579,277	
Debtors	8	289,088		302,380	
Cash		729		607	
		<u>2,208,159</u>		<u>1,849,839</u>	
Deduct current liabilities					
Creditors	9	686,216		586,359	
Bank overdraft (secured)		507,972		466,203	
Tax	4	36,347		-	
		<u>1,230,535</u>		<u>1,052,562</u>	
Net current assets			977,624		797,277
Deferred tax	4		3,524		(1,725)
			<u>2,732,298</u>		<u>2,550,604</u>
CAPITAL EMPLOYED					
Share capital	10		25,000		25,000
Reserves	11		2,262,513		2,074,267
Shareholders' funds			<u>2,287,513</u>		<u>2,099,267</u>
Loans (secured)	12		444,785		451,337
			<u>2,732,298</u>		<u>2,550,604</u>

Signed on behalf of the board

Jack Lunn
G. Graham

Directors

The notes on pages 10 to 14 form part of these accounts.

JACK LUNN (HOLDINGS) LIMITED

BALANCE SHEET AT 30 APRIL 1982

	Notes	1982 £	1981 £
EMPLOYMENT OF CAPITAL			
Interests in subsidiary companies	6	<u>24,000</u>	<u>25,000</u>

CAPITAL EMPLOYED

Share capital	25,000	25,000
Accumulated losses	(1,000)	-
	<u>24,000</u>	<u>25,000</u>

Signed on behalf of the board

Directors

The notes on pages 10 to 14 form part of these accounts.

JACK LUNN (HOLDINGS) LIMITED

STATEMENT OF GROUP SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED

30 APRIL 1982

	1982		1981	
	£	£	£	£
Sources				
Profit before tax		219,344		265,512
Adjustment for items not involving the movement of funds:				
Depreciation		32,691		37,476
Loss on sale of fixed assets		7,213		-
		<u> </u>		<u> </u>
Funds generated from trading		259,248		302,988
Sale proceeds of fixed assets		12,064		8,370
Loans received		-		407,164
		<u> </u>		<u> </u>
		271,312		718,522
Applications				
Purchase of fixed assets	(48,066)		(230,120)	
Loans repaid	(3,078)		-	
		<u> </u>		<u> </u>
		(51,144)		(230,120)
		<u> </u>		<u> </u>
		220,168		488,402
Increase in working capital				
Stock and work in progress	(412,816)		69,922	
Land bank	41,326		109,068	
Debtors	13,292		13,604	
Creditors	96,383		(219,094)	
		<u> </u>		<u> </u>
		(261,815)		(26,500)
		<u> </u>		<u> </u>
(Decrease) increase in net liquid funds		<u>(41,647)</u>		<u>461,902</u>
Reflected in:				
Bank overdraft (increase) decrease		(41,769)		461,668
Cash increase		122		234
		<u> </u>		<u> </u>
		<u>(41,647)</u>		<u>461,902</u>

The notes on pages 10 to 14 form part of these accounts.

NOTES ON THE ACCOUNTS

1 Accounting policies

Consolidation

The group accounts are the results of the consolidation of Jack Lunn (Holdings) Limited and its wholly owned subsidiaries Jack Lunn (Properties) Limited, Jack Lunn & Sons (Joinery) Limited, Jack Lunn (Leeds) Limited and its wholly owned subsidiary Jack Lunn & Co. Limited. The net difference between the cost of companies acquired and the value attributed to their net assets at the date of acquisition is shown in the reserves as capital reserve arising on consolidation.

Fixed assets and depreciation

Freehold and long term leasehold land and buildings are shown at cost or valuation, no depreciation being provided thereon. Other fixed assets are depreciated at rates calculated by reference to their expected useful lives.

The rates applied are:-

Motor vehicles	25% written down value
Plant and equipment	25% written down value

Land bank

The land bank is stated at the lower of cost and net realisable value.

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost includes the direct cost of materials and labour together with an addition for appropriate overheads, less cash received and receivable on account. Where cash on account exceeds the cost of a contract, the excess is included in current liabilities.

Turnover

Turnover comprises:

1. The total amount receivable by the group for completed contracts sold during the year and services supplied in the year.

2. Income from the letting of property.

Deferred tax

Provision is only made for deferred tax where a liability is expected to arise in the foreseeable future. In this respect provision is made using the liability method and represents corporation tax at 52% on the following:-

1. The excess of the net book values of fixed assets qualifying for tax allowances over their corresponding values for tax purposes.

2. Short term timing differences.

3. As reduced by unrelieved tax losses available for set off in future accounting periods.

JACK LUNN (HOLDINGS) LIMITED

NOTES ON THE ACCOUNTS

2	Directors' emoluments	1982 £	1981 £
	Remuneration	<u>148,450</u>	<u>111,107</u>
	Directors' remuneration excluding pension contributions		
	Chairman and highest paid director	£ 29,111	19,330
	Other directors	Number	Number
	£5,001-£10,000	-	1
	£15,001-£20,000	1	3
	£25,001-£30,000	3	-
3	Interest	£	£
	On bank loans and overdrafts and on loans wholly repayable within 5 years	63,897	137,725
	On other loans	<u>62,000</u>	<u>36,167</u>
		<u>125,897</u>	<u>173,892</u>
4	Tax	£	£
	On the group profit for the year		
	United Kingdom Corporation Tax at (40% - 52%)	36,347	-
	Transfer from deferred tax	<u>(5,249)</u>	<u>(402,099)</u>
		<u>31,098</u>	<u>(402,099)</u>
	Payable:		
	Corporation tax: within 12 months of the balance sheet date	<u>36,347</u>	<u>-</u>
	Deferred:		
	By capital allowances and other items	2,254	26,240
	On losses carried forward	<u>(5,778)</u>	<u>(24,515)</u>
		<u>(3,524)</u>	<u>1,725</u>

In the event of the properties included in fixed assets being disposed of at the figures at which they are stated in the balance sheet, the potential tax would be approximately £181,000.

JACK LUNN (HOLDINGS) LIMITED

NOTES ON THE ACCOUNTS

5	Fixed assets	Freehold land and buildings £	Long term leasehold land and buildings £	Motor vehicles £	Plant and equipment £	Total £
	The group					
	Cost or valuation					
	At 1 May 1981	1,643,255	1,166	109,314	116,257	1,869,992
	Additions	6,008	3,542	26,665	11,851	48,066
	Disposals	(500)	-	(24,367)	(19,352)	(44,219)
	At 30 April 1982	1,648,763	4,708	111,612	108,756	1,873,839
	Cost	557,764	4,708	111,612	108,756	782,840
	Valuation in April 1980	1,090,999	-	-	-	1,090,999
	Depreciation					
	At 1 May 1981	-	-	50,718	64,222	114,940
	Charge for year	-	-	18,897	13,794	32,691
	On disposals	-	-	(14,713)	(10,229)	(24,942)
	At 30 April 1982	-	-	54,902	67,787	122,689
	Net book value	1,648,763	4,708	56,710	40,969	1,751,150

	Group £	Company £
Capital expenditure authorised by the directors but not provided for amounts to	450,000	-

6	Interests in subsidiary companies	1982 The company £	1981 The company £
	Subsidiary companies		
	Shares at cost less provisions	525,000	526,000
	Less amounts due to subsidiary companies	(501,000)	(501,000)
		24,000	25,000

The companies included above are:-

Name of company	Nature of business	Shares held Class	Percentage
Jack Lunn (Leeds) Ltd	Holding company	Ordinary	100%
Jack Lunn (Properties) Ltd	Letting of property	Ordinary	100%
Jack Lunn & Sons (Joinery) Ltd	Joiners	Ordinary	100%
Jack Lunn & Co. Limited	Building contractors	Ordinary	100%

All the above companies are registered in England

JACK LUNN (HOLDINGS) LIMITED

NOTES ON THE ACCOUNTS

	1982		1981	
	The group		The group	
	£	£	£	£
7 Stock and work in progress				
Finished stock		395,743		-
Raw materials		8,058		8,138
Work in progress: short term	1,711,256		1,796,967	
less progress payments	<u>734,666</u>		<u>837,530</u>	
		976,590		959,437
		<u>1,380,391</u>		<u>967,575</u>

Progress payments of £57,566 have been received in excess of the value of certain contracts and are included in creditors.

	The group		The group	
	£		£	
8 Debtors				
Debtors and prepayments		289,038		301,976
Due from companies under the common control of the directors		50		404
		<u>289,088</u>		<u>302,380</u>

	£		£	
9 Creditors				
Creditors and accrued expenses		542,671		492,800
Directors		82,662		64,636
Due to companies under the common control of the directors		55,909		27,423
Loans (note 12)		<u>4,974</u>		<u>1,500</u>
		686,216		586,359

	1982 and 1981	
	Authorised	Issued and fully paid
	£	£
10 Share capital .		
Ordinary shares of £1 each	<u>100,000</u>	<u>25,000</u>

	1982	
	The group	
	£	
11 Reserves		
Retained profit at 1 May 1981		667,611
Retained profit for the year		188,246
Capital reserve arising on consolidation		<u>1,406,656</u>
At 30 April 1982		<u>2,262,513</u>

NOTES ON THE ACCOUNTS

12 Loans (secured)	The group 1982 £	The group 1981 £
Long term		
Halifax Building Society repayable over 7 years	28,950	31,092
Bradford & Bingley Building Society repayable over 8 years	20,809	21,745
Royal Liver Friendly Society repayable over 8 years	400,000	400,000
	<u>449,759</u>	<u>452,837</u>
Less repayments due within 12 months (Note 9)	4,974	1,500
	<u>444,785</u>	<u>451,337</u>

Both Building Society Loans are repayable with interest at the effective ruling mortgage rate. Interest on the Royal Liver Loan is fixed at 15.5%.

13 Liabilities

1. There are contingent liabilities for Performance Bonds amounting to £211,518.
2. The directors have been notified that a claim may be brought against Jack Lunn & Co. Limited in respect of a contract, but have no knowledge of the extent of this claim. They however feel, having discussed the matter with their insurers that the company will not suffer any loss.
3. Jack Lunn (Holdings) Limited has guaranteed the overdrafts to Barclays Bank PLC of Jack Lunn & Co. Limited, Jack Lunn (Properties) Limited, Jack Lunn & Sons (Joinery) Limited and Jack Lunn (Leeds) Limited amounting to £507,971.

14 Material interests

During the year Jack Lunn & Co. Limited received an interest free loan of £9,000 from Arthur Lambert & Co. (Leeds) Limited, a company which is wholly owned by the directors of Jack Lunn & Co. Limited. A loan of £17,500 with interest at 15% per annum was received by Jack Lunn & Co. Limited from Cedarwood Properties Limited of which J. Lunn owns 50% of the issued ordinary share capital.

15 Preparation of accounts

The accounts relate to a period to which the accounting provisions of the Companies Act 1981 do not relate. Consequently they have been drawn up in compliance with section 152A of and Schedule 8A to the Companies Act 1948.

16 Approval of accounts

These accounts were approved at a directors' meeting held on 25 October 1982.