

Jack Lunn (Properties) Limited

Report and Financial Statements

Year Ended

30 September 2010

Company Number 690539

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Jack Lunn (Properties) Limited

Report and financial statements for the year ended 30 September 2010

Contents

Page

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Statement of total recognised gains and losses and note of historical cost profits and losses
7	Balance sheet
8	Notes forming part of the financial statements

Directors

H Lunn
R Lunn
G Lunn
A Lunn ACIOB
C B Wright BSc (Hons) MRICS
R J Brown FCA

Secretary and registered office

P McAteer ACA, Progress House, 99 Bradford Road, Pudsey, Leeds, West Yorkshire, LS28 6AT

Company number

690539

Auditors

BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Bankers

Barclays Bank Plc, PO Box 190, 1 Park Row, Leeds, LS1 5WU

Jack Lunn (Properties) Limited

Report of the directors for the year ended 30 September 2010

The directors present their report together with the audited financial statements for the year ended 30 September 2010

Results

The profit and loss account is set out on page 5 and shows the profit for the year

The directors do not recommend payment of an ordinary dividend

Principal activities

The company's principal activity is that of property investment

Directors

The directors of the company during the year were

H Lunn
R Lunn
G Lunn
A Lunn
C B Wright
R J Brown (appointed 1 October 2009)

The directors who retire by rotation are R Lunn and A Lunn who, being eligible, offer themselves for re-election

Directors' responsibilities

The directors are responsible for preparing the directors' 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 judgements and accounting estimates that are reasonable and prudent,
- 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.

Jack Lunn (Properties) Limited

Report of the directors for the year ended 30 September 2010 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board

P McAteer ACA



Secretary

Date 21 February 2011

Jack Lunn (Properties) Limited

Independent auditor's report

TO THE MEMBER OF JACK LUNN (PROPERTIES) LIMITED

We have audited the financial statements of Jack Lunn (Properties) Limited for the year ended 30 September 2010 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. 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 member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 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 (APB'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.

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 September 2010 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.

Jack Lunn (Properties) Limited

Independent auditor's report (*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 prepare the financial statements and the directors' report in accordance with the small companies' regime



Nicholas Giles Wharton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

Date 

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Jack Lunn (Properties) Limited

Profit and loss account for the year ended 30 September 2010

	Note	2010 £	2009 £
Turnover	2	1,628,543	1,600,695
Cost of sales		461,088	420,963
Gross profit		1,167,455	1,179,732
Administrative expenses		755,802	540,968
		411,653	638,764
Other operating income		15,465	75,678
Operating profit	3	427,118	714,442
Other interest receivable and similar income		40	1
Interest payable and similar charges	4	(123,248)	(432,826)
Profit on ordinary activities before taxation		303,910	281,617
Taxation on profit on ordinary activities	5	176,899	41,954
Profit on ordinary activities after taxation		127,011	239,663

All amounts relate to continuing activities

The notes on pages 8 to 17 form part of these financial statements

Jack Lunn (Properties) Limited

Statement of total recognised gains and losses and note of historical cost profits and losses for the year ended 30 September 2010

	Note	2010 £	2009 £
Statement of total recognised gains and losses			
Profit for the financial year		127,011	239,663
Unrealised deficit on revaluation of properties		(815,824)	(3,003,873)
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		(688,813)	(2,764,210)
		<hr/>	<hr/>
Note of historical cost profits and losses			
		2010 £	2009 £
Reported profit on ordinary activities before taxation		303,910	281,617
Realisation of property revaluation gains of previous years		184,836	-
		<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation		488,746	281,617
		<hr/>	<hr/>
Historical cost profit for the year after taxation		311,847	239,663
		<hr/>	<hr/>

The notes on pages 8 to 17 form part of these financial statements

Jack Lunn (Properties) Limited

Balance sheet at 30 September 2010

Company number 690539	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	6		25,257,717		22,510,829
Investment in associates	7		333		333
			<hr/>		<hr/>
			25,258,050		22,511,162
Current assets					
Debtors	8	270,982		315,862	
Cash at bank and in hand		50,681		-	
		<hr/>		<hr/>	
		321,663		315,862	
Creditors: amounts falling due within one year	9	4,546,037		6,769,378	
		<hr/>		<hr/>	
Net current liabilities			(4,224,374)		(6,453,516)
			<hr/>		<hr/>
Total assets less current liabilities			21,033,676		16,057,646
Creditors: amounts falling due after more than one year	10	9,272,515		3,613,994	
Provisions for liabilities	11	169,322		163,000	
		<hr/>		<hr/>	
			9,441,837		3,776,994
			<hr/>		<hr/>
			11,591,839		12,280,652
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		1,000,000		1,000,000
Revaluation reserve	14		5,950,475		6,951,135
Profit and loss account	14		4,641,364		4,329,517
			<hr/>		<hr/>
Shareholder's funds	15		11,591,839		12,280,652
			<hr/>		<hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on **21 February 2011.**



G Lunn
Director

The notes on pages 8 to 17 form part of these financial statements

Jack Lunn (Properties) Limited

Notes forming part of the financial statements for the year ended 30 September 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006

Turnover

Turnover represents amounts receivable for rents net of VAT

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows

Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 33% straight line

Investment properties

In accordance with SSAP 19 'Accounting for investment properties', investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (*continued*)

1 Accounting policies (*continued*)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

2 Turnover

Turnover arises solely within the United Kingdom

3 Operating profit

	2010 £	2009 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	9,843	8,670
Loss/(profit) on disposal of tangible fixed assets	70,617	(3,398)
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	4,000	5,200
Impairment of tangible assets	193,718	-
	<u> </u>	<u> </u>

4 Interest payable and similar charges

	2010 £	2009 £
Bank loans and overdrafts	22,345	86,412
Mortgage loans	100,117	346,414
Finance leases and hire purchase contracts	786	-
	<u> </u>	<u> </u>
	123,248	432,826
	<u> </u>	<u> </u>

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (*continued*)

5 Taxation on profit on ordinary activities

	2010 £	2009 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	7,000	7,875
Adjustment in respect of previous periods	7,461	(7,421)
Group relief	156,116	-
	<hr/>	<hr/>
Total current tax	170,577	454
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	7,655	19,725
Adjustment in respect of previous periods	4,654	21,775
Effect of tax rate change on opening balance	(5,987)	-
	<hr/>	<hr/>
Movement in deferred tax provision	6,322	41,500
	<hr/>	<hr/>
Taxation on profit on ordinary activities	176,899	41,954
	<hr/>	<hr/>

The tax assessed for the year is higher than/lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	303,910	281,617
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2009 - 28%)	63,821	78,853
Effect of		
Expenses not deductible for tax purposes	58,397	253
Capital allowances for period in excess of depreciation	(5,954)	(19,725)
Adjustment to tax charge in respect of previous periods	7,461	(7,421)
Tax losses surrendered by group companies	(117,087)	(48,880)
Payment for group relief	156,116	-
Chargeable gains	7,823	-
Other tax adjustments	-	(2,626)
	<hr/>	<hr/>
Current tax charge for the year	170,577	454
	<hr/>	<hr/>

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (*continued*)

6 Tangible fixed assets

	Freehold investment properties £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 October 2009	22,476,991	29,533	9,676	22,516,200
Additions	4,059,973	-	-	4,059,973
Disposals	(293,700)	-	-	(293,700)
Revaluations	(815,824)	-	-	(815,824)
Impairment	(193,718)	-	-	(193,718)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2010	25,233,722	29,533	9,676	25,272,931
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 October 2009	-	616	4,755	5,371
Provided for the year	-	7,229	2,614	9,843
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2010	-	7,845	7,369	15,214
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 September 2010	25,233,722	21,688	2,307	25,257,717
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2009	22,476,991	28,917	4,921	22,510,829
	<hr/>	<hr/>	<hr/>	<hr/>

The historical cost of freehold investment properties is

	2010 £	2009 £
Cost	19,283,245	15,525,856
	<hr/>	<hr/>

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under finance leases and hire purchase contracts as follows

	2010 £	2009 £
<i>Net book value</i>		
Motor vehicles	21,688	28,917
	<hr/>	<hr/>
<i>Depreciation charged</i>		
Motor vehicles	7,229	5,791
	<hr/>	<hr/>

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (continued)

6 Tangible fixed assets (continued)

The investment properties held at 30 September 2010 were valued by an officer of the company qualified as a Chartered Surveyor in accordance with RICS valuation standards on an open market basis

Also included in investment properties is a property part occupied by group companies. The directors believe it is not practicable to quantify the value attributable to group occupation and any resultant depreciation charge would not be material to the financial statements. The total value of the property in question is £1,515,997 (2009 £1,650,000)

7 Fixed asset investments

	Associated undertakings £
<i>Cost or valuation</i>	
At 1 October 2009 and 30 September 2010	333

Associated undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of Incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
<i>Associated undertakings</i>				
Leeds Independent Living Accommodation Company Holdings Limited	England and Wales	Ordinary	33.33 %	Property development

8 Debtors

	2010 £	2009 £
Trade debtors	211,293	174,821
Amounts owed by associated undertakings	6,454	1,725
Prepayments and accrued income	53,235	139,316
	<u>270,982</u>	<u>315,862</u>

All amounts shown under debtors fall due for payment within one year

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (continued)

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts (secured)	3,761,756	3,824,119
Mortgage loans (secured)	122,142	2,350,581
Trade creditors	121,909	104,714
Amounts owed to group undertakings and undertakings in which the company has a participating interest	176,535	21,348
Corporation tax	7,000	1,543
Other taxation and social security	19,636	36,505
Obligations under finance lease and hire purchase contracts (secured)	5,384	5,384
Other creditors	331,675	425,184
	4,546,037	6,769,378

10 Creditors: amounts falling due after more than one year

	2010 £	2009 £
4 05 % mortgage loan repayable in 2015 (secured)	2,417,666	-
6 21% mortgage loan repayable in 2018 (secured)	1,048,411	1,088,219
Amounts owed to group undertakings	5,801,054	2,515,007
Obligations under finance lease and hire purchase contracts (secured)	5,384	10,768
	9,272,515	3,613,994

Maturity of debt

	Loans and overdrafts 2010 £	Loans and overdrafts 2009 £	Finance leases 2010 £	Finance leases 2009 £
In one year or less, or on demand	3,883,898	6,174,700	5,384	5,384
In more than one year but not more than two years	127,790	39,808	5,384	5,384
In more than two years but not more than five years	2,463,040	135,258	-	5,384
In more than five years	875,247	913,153	-	-
	3,466,077	1,088,219	5,384	10,768

**Notes forming part of the financial statements
for the year ended 30 September 2010 (continued)**

	2010 £	2009 £
Analysis of loans		
Not wholly repayable within five years by instalments	352,758	390,186
Not wholly repayable within five years other than by instalments	735,461	735,461
Wholly repayable within five years	2,500,000	2,313,153
Included in current liabilities	(122,142)	(2,350,581)
	3,466,077	1,088,219

	Deferred taxation £
At 1 October 2009	163,000
Charged to profit and loss account	6,322
	<hr/>
At 30 September 2010	169,322

	2010 £	2009 £
Accelerated capital allowances	169,322	163,000

• Based on the closing deferred tax provision at the balance sheet date, the aggregate impact of the proposed reductions from 28% down to 24% will reduce the deferred tax provision by approximately £6,000 per year if a 1% reduction in the corporation tax rate is enacted each year

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (*continued*)

12 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the funds and amounted to £1,375 (2009: £573).

13 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 October 2009	6,951,135	4,329,517
Revaluation deficit	(815,824)	-
Profit for the year	-	127,011
Transfers	(184,836)	184,836
	<u>5,950,475</u>	<u>4,641,364</u>
At 30 September 2010		

15 Reconciliation of movements in shareholder's funds

	2010 £	2009 £
Profit for the year	127,011	239,663
Other net recognised gains and losses relating to the year		
- Unrealised deficit on revaluation of properties	(815,824)	(3,003,873)
	<u>(688,813)</u>	<u>(2,764,210)</u>
Net deductions from shareholder's funds		
Opening shareholder's funds	<u>12,280,652</u>	<u>15,044,862</u>
Closing shareholder's funds	<u>11,591,839</u>	<u>12,280,652</u>

Jack Lunn (Properties) Limited

Notes forming part of the financial statements
for the year ended 30 September 2010 (continued)

16 Contingent liabilities

The company has given an unlimited cross guarantee and debenture to Barclays Bank Plc to secure the borrowings of the parent undertaking and fellow subsidiary undertakings. At 30 September 2010 these borrowings amounted to £7,674,527 (2009 £10,523,256)

The group has entered into performance bonds in the normal course of business which have been guaranteed by the group's insurers to a total of £1,995,532 (2009 £5,461,640)

17 Directors' remuneration

	2010 £	2009 £
Aggregate emoluments	36,931	8,236
Company contributions to money purchase pension schemes	1,375	344

There was 1 director in the company's defined contribution pension scheme during the year (2009 - 1)

18 Employees

Staff costs (including directors) consist of

	2010 £	2009 £
Wages and salaries	60,929	40,442
Social security costs	6,680	4,222
Other pension costs	1,375	573
	<u>68,984</u>	<u>45,237</u>

The average number of employees (including directors) during the year was 7 (2009 - 7)

19 Control

At 30 September 2010 the company was controlled by the shareholders of Jack Lunn (Holdings) Limited including Mr R Lunn and Mr G Lunn and their families

20 Ultimate parent company and parent undertaking of larger group

The ultimate parent company is Jack Lunn (Holdings) Limited, a company registered in England and Wales

Copies of the group financial statements can be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Mandy, Cardiff, CF14 3UZ

Jack Lunn (Properties) Limited

**Notes forming part of the financial statements
for the year ended 30 September 2010 (*continued*)**

21 Related party disclosures

The company is a wholly owned subsidiary of Jack Lunn (Holdings) Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Jack Lunn (Holdings) Limited or other wholly owned subsidiaries within the group