

## **Jack Lunn (Properties) Limited**

Report and Financial Statements

Year Ended

30 September 2009

Company Number 690539

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# **Jack Lunn (Properties) Limited**

**Report and financial statements  
for the year ended 30 September 2009**

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## **Directors**

H Lunn  
R Lunn  
G Lunn  
A Lunn  
C B Wright  
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 2009**

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The directors present their report together with the audited financial statements for the year ended 30 September 2009

### **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  
R Farrar (resigned 30 September 2009)  
A Lunn  
C B Wright (appointed 1 July 2009)

R J Brown was appointed as a director on 1 October 2009

C B Wright and R J Brown retire at their first Annual General meeting and who, being eligible, offer themselves for re-election

The directors who retire by rotation are G Lunn and Mrs H Lunn who, being eligible, offer themselves for re-election

### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The directors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 show and explain the company's transactions, 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 2009 (*continued*)**

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### **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**

9 February 2010

# **Jack Lunn (Properties) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF JACK LUNN (PROPERTIES) LIMITED**

We have audited the financial statements of Jack Lunn (Properties) Limited for the year ended 30 September 2009 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 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 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 2009 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*)

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### 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

*BDO LLP*

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

12 March 2010

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 2009

	Note	2009 £	2008 £
Turnover	2	1,600,695	1,568,485
Cost of sales		420,963	266,442
<b>Gross profit</b>		<b>1,179,732</b>	<b>1,302,043</b>
Administrative expenses		540,968	585,726
		638,764	716,317
Other operating income		75,678	36,180
<b>Operating profit</b>	3	<b>714,442</b>	<b>752,497</b>
Other interest receivable and similar income		1	808
Interest payable and similar charges	4	(432,826)	(689,399)
<b>Profit on ordinary activities before taxation</b>		<b>281,617</b>	<b>63,906</b>
Taxation on profit on ordinary activities	5	41,954	5,121
<b>Profit on ordinary activities after taxation</b>		<b>239,663</b>	<b>58,785</b>

All amounts relate to continuing activities

The notes on pages 8 to 16 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 2009

	Note	2009 £	2008 £
<b>Statement of total recognised gains and losses</b>			
Profit for the financial year		239,663	58,785
Unrealised deficit on revaluation of properties		(3,003,873)	(1,252,772)
		<hr/>	<hr/>
<b>Total recognised gains and losses for the financial year</b>		<b>(2,764,210)</b>	<b>(1,193,987)</b>
		<hr/>	<hr/>
<b>Note of historical cost profits and losses</b>			
Reported profit on ordinary activities before taxation		281,617	63,906
Realisation of property revaluation gains of previous years		-	427,292
		<hr/>	<hr/>
<b>Historical cost profit on ordinary activities before taxation</b>		<b>281,617</b>	<b>491,198</b>
		<hr/>	<hr/>
<b>Historical cost profit for the year after taxation</b>		<b>239,663</b>	<b>486,077</b>
		<hr/>	<hr/>

The notes on pages 8 to 16 form part of these financial statements

# Jack Lunn (Properties) Limited

## Balance sheet at 30 September 2009

<i>Company number 690539</i>	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	6		22,510,829		25,483,264
Investment in associates	7		333		333
			<u>22,511,162</u>		<u>25,483,597</u>
<b>Current assets</b>					
Debtors	8	315,862		366,640	
Creditors' amounts falling due within one year	9	6,769,378		6,748,760	
			<u>(6,453,516)</u>		<u>(6,382,120)</u>
<b>Total assets less current liabilities</b>			<b>16,057,646</b>		<b>19,101,477</b>
Creditors' amounts falling due after more than one year	10	3,613,994		3,935,115	
Provisions for liabilities	11	163,000		121,500	
			<u>3,776,994</u>		<u>4,056,615</u>
			<u><b>12,280,652</b></u>		<u><b>15,044,862</b></u>
<b>Capital and reserves</b>					
Called up share capital	13		1,000,000		1,000,000
Revaluation reserve	14		6,951,135		9,955,008
Profit and loss account	14		4,329,517		4,089,854
			<u>12,280,652</u>		<u>15,044,862</u>
<b>Shareholders' funds</b>	15		<b>12,280,652</b>		<b>15,044,862</b>

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 9 February 2010



G Lunn  
Director

The notes on pages 8 to 16 form part of these financial statements

# Jack Lunn (Properties) Limited

## Notes forming part of the financial statements for the year ended 30 September 2009

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### 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 2009 (*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

	2009 £	2008 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	8,670	9,314
Profit on disposal of tangible fixed assets	(3,398)	(41,311)
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	5,200	5,550
	<u>          </u>	<u>          </u>

## 4 Interest payable and similar charges

	2009 £	2008 £
Bank loans and overdrafts	86,412	329,674
Mortgage loans	346,414	359,455
Finance leases and hire purchase contracts	-	270
	<u>          </u>	<u>          </u>
	<u>432,826</u>	<u>689,399</u>

# Jack Lunn (Properties) Limited

Notes forming part of the financial statements  
for the year ended 30 September 2009 (continued)

## 5 Taxation on profit on ordinary activities

	2009 £	2008 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	7,875	15,375
Adjustment in respect of previous periods	(7,421)	-
Group relief	-	(10,254)
	<hr/>	<hr/>
Total current tax	454	5,121
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	19,725	-
Adjustment in respect of previous periods	21,775	-
	<hr/>	<hr/>
Movement in deferred tax provision	41,500	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	41,954	5,121
	<hr/>	<hr/>

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

	2009 £	2008 £
Profit on ordinary activities before tax	281,617	63,906
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 21%)	78,853	13,420
Effect of		
Expenses not deductible for tax purposes	253	39
Capital allowances for period in excess of depreciation	(19,725)	(8,727)
Adjustment to tax charge in respect of previous periods	(7,421)	-
Tax losses surrendered (by)/to group companies	(48,880)	10,218
Receipt for group relief	-	(10,254)
Short term timing differences	-	801
Other tax adjustments	(2,626)	(376)
	<hr/>	<hr/>
Current tax charge for the year	454	5,121
	<hr/>	<hr/>

# Jack Lunn (Properties) Limited

Notes forming part of the financial statements  
for the year ended 30 September 2009 (continued)

## 6 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>				
At 1 October 2008	25,456,991	56,089	4,933	25,518,013
Additions	23,873	29,533	6,504	59,910
Disposals	-	(56,089)	(1,761)	(57,850)
Revaluations	(3,003,873)	-	-	(3,003,873)
At 30 September 2009	<b>22,476,991</b>	<b>29,533</b>	<b>9,676</b>	<b>22,516,200</b>
<i>Depreciation</i>				
At 1 October 2008	-	31,112	3,637	34,749
Provided for the year	-	5,791	2,879	8,670
Disposals	-	(36,287)	(1,761)	(38,048)
At 30 September 2009	-	<b>616</b>	<b>4,755</b>	<b>5,371</b>
<i>Net book value</i>				
At 30 September 2009	<b>22,476,991</b>	<b>28,917</b>	<b>4,921</b>	<b>22,510,829</b>
At 30 September 2008	25,456,991	24,977	1,296	25,483,264

The historical cost of investment property is

	2009 £	2008 £
Cost	<b>15,525,856</b>	15,501,983

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

	2009 £	2008 £
<i>Net book value</i>		
Motor vehicles	<b>28,917</b>	24,977
<i>Depreciation charged</i>		
Motor vehicles	<b>5,791</b>	8,326

# Jack Lunn (Properties) Limited

Notes forming part of the financial statements  
for the year ended 30 September 2009 (continued)

## 6 Tangible fixed assets (continued)

The investment properties held at 30 September 2009 were valued by an independent 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 £1,650,000 (2008 £1,869,191)

## 7 Fixed asset investments

Associated  
undertakings  
£

Cost or valuation

At 1 October 2008 and 30 September 2009

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
Associated undertakings				
Leeds Independent Living Accommodation Company Holdings Limited	England and Wales	Ordinary	33.33 %	Property development

## 8 Debtors

	2009 £	2008 £
Trade debtors	174,821	206,989
Amounts owed by group undertakings	-	36,614
Amounts owed by associated undertakings	1,725	3,850
Prepayments and accrued income	139,316	119,187
	<b>315,862</b>	<b>366,640</b>

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 2009 (continued)

## 9 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts (secured)	3,824,119	4,503,778
Mortgage loans (secured)	2,350,581	1,445,049
Trade creditors	104,714	127,980
Amounts owed to group undertakings and undertakings in which the company has a participating interest	21,348	3,336
Corporation tax	1,543	15,375
Other taxation and social security	36,505	131,066
Obligations under finance lease and hire purchase contracts	5,384	-
Other creditors	425,184	522,176
	<b>6,769,378</b>	<b>6,748,760</b>

## 10 Creditors: amounts falling due after more than one year

	2009 £	2008 £
13 69% mortgage loan repayable in 2009 (secured)	-	1,000,652
6 21% mortgage loan repayable in 2018 (secured)	1,088,219	1,125,647
Amounts owed to group undertakings	2,515,007	1,808,816
Obligations under finance lease and hire purchase contracts	10,768	-
	<b>3,613,994</b>	<b>3,935,115</b>

### Maturity of debt

	Loans and overdrafts 2009 £	Loans and overdrafts 2008 £	Finance leases 2009 £	Finance leases 2008 £
In one year or less, or on demand	<b>6,174,700</b>	5,948,827	<b>5,384</b>	-
In more than one year but not more than two years	<b>39,808</b>	1,038,080	<b>5,384</b>	-
In more than two years but not more than five years	<b>135,258</b>	127,175	<b>5,384</b>	-
In more than five years	<b>913,153</b>	961,044	-	-
	<b>1,088,219</b>	2,126,299	<b>10,768</b>	-

**Notes forming part of the financial statements  
for the year ended 30 September 2009 (continued)**

	2009 £	2008 £
Analysis of loans		
Not wholly repayable within five years by instalments	390,186	425,378
Not wholly repayable within five years other than by instalments	735,461	735,461
Wholly repayable within five years	2,313,153	2,410,509
Included in current liabilities	(2,350,581)	(1,445,049)
	<hr/>	<hr/>
	1,088,219	2,126,299

	Deferred taxation £
At 1 October 2008	121,500
Charged to profit and loss account	41,500

**163,000**

	2009 £	2008 £
Accelerated capital allowances	163,000	121,500

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 £573 (2008: £7,974).

# Jack Lunn (Properties) Limited

Notes forming part of the financial statements  
for the year ended 30 September 2009 (continued)

## 13 Share capital

	2009 £	2008 £
<i>Allotted, called up and fully paid</i>		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

## 14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 October 2008	9,955,008	4,089,854
Revaluation deficit	(3,003,873)	-
Profit for the year	-	239,663
At 30 September 2009	6,951,135	4,329,517

## 15 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the year	239,663	58,785
Other net recognised gains and losses relating to the year		
- Unrealised deficit on revaluation of properties	(3,003,873)	(1,252,772)
Net deductions from shareholders' funds	(2,764,210)	(1,193,987)
Opening shareholders' funds	15,044,862	16,238,849
Closing shareholders' funds	12,280,652	15,044,862

## 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 2009 these borrowings amounted to £10,523,256 (2008 £10,592,763).

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 £5,461,640 (2008 £9,879,091).

# Jack Lunn (Properties) Limited

Notes forming part of the financial statements  
for the year ended 30 September 2009 (continued)

## 17 Directors' remuneration

	2009 £	2008 £
Aggregate emoluments	8,236	97,557
Company contributions to money purchase pension schemes	344	7,974
Compensation for loss of office	-	5,000

There was 1 director in the company's defined contribution pension scheme during the year (2008 - 2)

## 18 Employees

Staff costs (including directors) consist of

	2009 £	2008 £
Wages and salaries	40,442	127,984
Social security costs	4,222	12,044
Other pension costs	573	7,974
	<b>45,237</b>	<b>148,002</b>

The average number of employees (including directors) during the year was 7 (2008 - 8)

## 19 Control

At 30 September 2009 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, Maundy, Cardiff, CF14 3UZ

## 21 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by Jack Lunn (Holdings) Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements