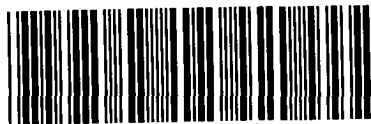


REGISTERED NUMBER: 01473324 (England and Wales)

**Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 30 September 2014  
for  
Jack Lunn (Holdings) Limited**

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for the Year Ended 30 September 2014**

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**Jack Lunn (Holdings) Limited**

**Company Information  
for the Year Ended 30 September 2014**

<b>DIRECTORS:</b>	Mrs H Lunn R Lunn G Lunn A Lunn ACIOB R J Brown FCA
<b>SECRETARY:</b>	P McAteer ACA
<b>REGISTERED OFFICE:</b>	Progress House 99 Bradford Road Pudsey Leeds West Yorkshire LS28 6AT
<b>REGISTERED NUMBER:</b>	01473324 (England and Wales)
<b>AUDITORS:</b>	Kirk Newsholme Chartered Accountants and Statutory Auditors 4315 Park Approach Thorpe Park Leeds West Yorkshire LS15 8GB
<b>BANKERS:</b>	Barclays Bank Plc PO Box 190 2nd Floor 1 Park Row Leeds LS1 5WU

**Group Strategic Report  
for the Year Ended 30 September 2014**

The directors present their strategic report of the company and the group for the year ended 30 September 2014.

**REVIEW OF BUSINESS**

The profit and loss account is set out on page 8 and shows the profit for the year.

Turnover for the year has decreased from £7,560,622 to £2,223,997 with profits before tax significantly reduced from £474,573 to £37,583. The results for the year have been materially affected by the loss on disposal of an investment and the impairment losses on investment properties, totalling £1,696,857.

**Construction Division**

Despite a significant fall in turnover, profit in this division has improved from a loss of £138,134 last year to a profit of £317,383 this year. This has been achieved through the beneficial settlement of a number of contracts.

Although we believe that the construction sector has seen an increase in activity during the year, the market for general contracting as opposed to speculative housebuilding continues to be depressed. All construction companies are operating extremely competitively at very low margins. In view of the results and these prevailing and continuing conditions and also as the Company has been unable to win work at a satisfactory profit margin a decision was taken last year to reduce activities.

The company remains cautious and will now only pursue work either by negotiation or where suitable margins can be obtained against the background of the principal risks and uncertainties referred to below.

**Property Division**

Turnover fell from £1,779,542 to £1,584,457 reflecting planned property sales during the year. The directors are actively seeking additional properties to replace this rental income and since the year end have acquired properties with a cost of approximately £2.2m.

Profits have reduced from £981,691 to £37,177. The largest factor affecting this result was the decision to make a £710,000 provision against the carrying value of our portfolio.

**Housebuilding Division**

A significant profit was achieved during the year.

We are currently looking at developing a number of sites all of which will be profitable.

**Healthcare Division**

I am pleased to report that during the year we acquired our joint venture partner's shareholding and subsequently disposed of the whole of our healthcare interest. This has injected significant funds back into the group and has enabled us to concentrate on our core businesses.

This has been an extremely challenging year and I must pay tribute to all our management and employees for their effort.

**Jack Lunn (Holdings) Limited**

**Group Strategic Report  
for the Year Ended 30 September 2014**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors of the business carry out risk profiles as to the nature/type of work, location, management resources, labour availability, tender conditions, contract programme, clients' financial status and payment mechanism.

The directors, being well aware of operating in a high risk industry, give careful consideration to all aspects of the various risk factors, and prospective contracts are either rejected or priced in accordance with the risks associated with the project under consideration.

**ON BEHALF OF THE BOARD:**



G Lunn - Chairman

20 January 2015

**Report of the Directors  
for the Year Ended 30 September 2014**

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2014.

**PRINCIPAL ACTIVITIES**

The principal activities of the Group continue to be those of contracting, the development, sale and letting of properties, and house building.

**DIVIDENDS**

An interim dividend of £29.519 per share on the "B" Ordinary £1 shares was paid during the year. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 September 2014 is £500,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2013 to the date of this report.

Mrs H Lunn  
R Lunn  
G Lunn  
A Lunn ACIOB  
R J Brown FCA

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

**EMPLOYEE INVOLVEMENT**

Within the bounds of commercial confidentiality, staff are kept informed of matters that affect the progress of the group and that are of interest to them as employees. The group maintains regular communication with employees through project meetings and site briefings.

Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work for employees who become disabled, to promote their career development within the group.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Jack Lunn (Holdings) Limited (Registered number: 01473324)**

**Report of the Directors  
for the Year Ended 30 September 2014**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Kirk Newsholme, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'P McAteer', followed by a period.

P McAteer ACA - Secretary

20 January 2015

**Report of the Independent Auditors to the Members of  
Jack Lunn (Holdings) Limited (Registered number: 01473324)**

We have audited the financial statements of Jack Lunn (Holdings) Limited for the year ended 30 September 2014 on pages eight to thirty four. 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 a Report of the Auditors 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 set out on page four, 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**

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2014 and of the group's loss 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Report of the Independent Auditors to the Members of  
Jack Lunn (Holdings) Limited (Registered number: 01473324)**

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Neill Rayland BA FCA (Senior Statutory Auditor)  
for and on behalf of Kirk Newsholme  
Chartered Accountants and Statutory Auditors  
4315 Park Approach  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8GB

23 January 2015

**Consolidated Profit and Loss Account  
for the Year Ended 30 September 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>			
Group and share of associates		3,527,596	9,253,863
Less:			
Share of associates' turnover		(1,303,599)	(1,693,241)
<b>GROUP TURNOVER</b>	2	2,223,997	7,560,622
Cost of sales		(70,458)	5,479,680
<b>GROSS PROFIT</b>		2,294,455	2,080,942
Administrative expenses		692,942	1,376,374
		1,601,513	704,568
Other operating income		97,378	49,903
<b>GROUP OPERATING PROFIT</b>		1,698,891	754,471
Share of operating profit in Associates		323,787	317,241
Impairment losses on investment properties		(710,000)	-
Loss on disposal of investment		(986,857)	-
		325,821	1,071,712
Interest receivable and similar income			
Group	4	262,575	346,261
Associates		1,259,272	1,283,363
		1,521,847	1,629,624
Interest payable and similar charges			
Group	5	(353,175)	(339,344)
Associates		(1,456,910)	(1,887,419)
		(1,810,085)	(2,226,763)
		(288,238)	(597,139)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	37,583	474,573
Tax on profit on ordinary activities	8	750,902	200,006
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>		(713,319)	274,567

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

**Consolidated Statement of Total Recognised Gains and Losses  
for the Year Ended 30 September 2014**

	2014 £	2013 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	(713,319)	274,567
Unrealised surplus on revaluation of properties	694,159	434,958
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>(19,160)</u>	<u>709,525</u>

**Note of Historical Cost Profits and Losses  
for the Year Ended 30 September 2014**

	2014 £	2013 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	37,583	474,573
Realisation of property revaluation gains of previous years	3,239,142	-
Realisation of property revaluation gains of previous years in associates	2,038,649	-
	<hr/>	<hr/>
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>5,315,374</u>	<u>474,573</u>
 <b>HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS</b>	 <u>4,064,472</u>	 <u>274,567</u>

**Consolidated Balance Sheet**  
**30 September 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	12	-	-
Tangible assets	13	22,271	79,374
Investments	14		
Interest in associates		40,906	1,382,527
Other investments		1,897,875	1,915,846
Investment property	15	22,025,766	25,584,416
		<u>23,986,818</u>	<u>28,962,163</u>
<b>CURRENT ASSETS</b>			
Stocks	16	812,252	990,005
Debtors	17	1,352,672	4,194,718
Cash at bank and in hand		5,731,273	1,360,430
		<u>7,896,197</u>	<u>6,545,153</u>
<b>CREDITORS</b>			
Amounts falling due within one year	18	6,902,393	6,560,535
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>993,804</u>	<u>(15,382)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>24,980,622</u>	<u>28,946,781</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	19	(4,456,094)	(7,897,548)
<b>PROVISIONS FOR LIABILITIES</b>	22	(311,995)	(317,540)
<b>NET ASSETS</b>		<u>20,212,533</u>	<u>20,731,693</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	25,000	25,000
Revaluation reserve	24	4,960,352	9,543,984
Profit and loss account	24	15,227,181	11,162,709
<b>SHAREHOLDERS' FUNDS</b>	27	<u>20,212,533</u>	<u>20,731,693</u>

The financial statements were approved by the Board of Directors on 20 January 2015 and were signed on its behalf by:



G Lunn - Director

**Jack Lunn (Holdings) Limited (Registered number: 01473324)**

**Company Balance Sheet  
30 September 2014**

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	12	-	-
Tangible assets	13	927	-
Investments	14	524,100	574,100
Investment property	15	-	-
		<u>525,027</u>	<u>574,100</u>
<b>CURRENT ASSETS</b>			
Debtors	17	3,902,239	8,666,862
Cash at bank and in hand		<u>4,877,667</u>	<u>391,245</u>
		8,779,906	9,058,107
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>4,118,821</u>	<u>4,501,375</u>
<b>NET CURRENT ASSETS</b>		<u>4,661,085</u>	<u>4,556,732</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,186,112</u>	<u>5,130,832</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	25,000	25,000
Profit and loss account	24	<u>5,161,112</u>	<u>5,105,832</u>
<b>SHAREHOLDERS' FUNDS</b>	27	<u>5,186,112</u>	<u>5,130,832</u>

The financial statements were approved by the Board of Directors on 20 January 2015 and were signed on its behalf by:



G Lunn - Director

**Consolidated Cash Flow Statement  
for the Year Ended 30 September 2014**

		2014		2013	
	Notes	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>	1		3,661,493		(237,746)
<b>Dividends received from associates</b>			-		116,666
<b>Returns on investments and servicing of finance</b>	2		(90,600)		6,917
<b>Taxation</b>			(931,391)		59,969
<b>Capital expenditure and financial investment</b>	2		3,645,767		(29,318)
<b>Acquisitions and disposals</b>	2		478,008		-
<b>Equity dividends paid</b>			(500,000)		-
			<u>6,263,277</u>		<u>(83,512)</u>
<b>Financing</b>	2		(1,396,166)		(676,054)
<b>Increase/(decrease) in cash in the period</b>			<u>4,867,111</u>		<u>(759,566)</u>
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
Increase/(decrease) in cash in the period		4,867,111		(759,566)	
Cash outflow from decrease in debt and lease financing		<u>1,450,137</u>		<u>500,464</u>	
Change in net debt resulting from cash flows			6,317,248		(259,102)
New finance leases			-		(15,878)
<b>Movement in net debt in the period</b>			<u>6,317,248</u>		<u>(274,980)</u>
<b>Net debt at 1 October</b>			<u>(8,308,161)</u>		<u>(8,033,181)</u>
<b>Net debt at 30 September</b>			<u>(1,990,913)</u>		<u>(8,308,161)</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 September 2014**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	1,698,891	754,471
Depreciation charges	13,543	27,381
(Profit)/loss on disposal of fixed assets	(59,398)	308
Decrease in stocks	177,753	237,605
Decrease in debtors	2,836,530	1,093,136
Decrease in creditors	(1,005,826)	(2,350,647)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,661,493</b>	<b>(237,746)</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	262,575	346,261
Interest paid	(276,517)	(336,979)
Interest element of hire purchase payments	(11,096)	(2,365)
Finance costs	(65,562)	-
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<b>(90,600)</b>	<b>6,917</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(60,206)	(36,918)
Sale of tangible fixed assets	55,674	7,600
Sale of investment property	3,650,299	-
<b>Net cash inflow/(outflow) for capital expenditure and financial investment</b>	<b>3,645,767</b>	<b>(29,318)</b>
<b>Acquisitions and disposals</b>		
Purchase of investment in associates	(8,651)	-
Sale of investment in associates	486,659	-
<b>Net cash inflow for acquisitions and disposals</b>	<b>478,008</b>	<b>-</b>
<b>Financing</b>		
Loans repaid	(1,415,670)	(481,145)
Repayment of fixed asset investment loan	17,971	15,994
Hire purchase repayments	(34,467)	(19,319)
Amount introduced by directors	36,000	-
Amount withdrawn by directors	-	(191,584)
<b>Net cash outflow from financing</b>	<b>(1,396,166)</b>	<b>(676,054)</b>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 September 2014**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.10.13 £	Cash flow £	At 30.9.14 £
Net cash:			
Cash at bank and in hand	1,360,430	4,370,843	5,731,273
Bank overdraft	(1,245,454)	496,268	(749,186)
	<u>114,976</u>	<u>4,867,111</u>	<u>4,982,087</u>
Debt:			
Hire purchase	(38,495)	34,467	(4,028)
Debts falling due within one year	(502,517)	(2,010,361)	(2,512,878)
Debts falling due after one year	(7,882,125)	3,426,031	(4,456,094)
	<u>(8,423,137)</u>	<u>1,450,137</u>	<u>(6,973,000)</u>
Total	<u>(8,308,161)</u>	<u>6,317,248</u>	<u>(1,990,913)</u>



**Notes to the Consolidated Financial Statements  
for the Year Ended 30 September 2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Basis of consolidation**

The consolidated financial statements incorporate the results of Jack Lunn (Holdings) Limited and all of its subsidiary undertakings as at 30 September 2014 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of the subsidiary undertakings are included from the date of acquisition.

**Turnover**

Turnover represents amounts receivable for goods, services and rents, net of value added tax and trade discounts, as adjusted for movements in long terms contract balances.

Receipts from property developments are recognised upon exchange of contracts, provided that, if the exchange is conditional, all material conditions have been satisfied shortly thereafter and there are no foreseeable circumstances which might prevent the physical completion and handover of the properties concerned.

Rental income is recognised as it falls due, in accordance with the lease to which it relates.

**Shared equity sales**

Where sales are made under the Shared Equity Scheme, the proportion of advances on contracts that are due to the company under the Scheme are recognised as other debtors to the extent to which the debts are considered recoverable.

**Goodwill**

In accordance with Financial Reporting Standard 10 "Goodwill and Intangible Assets", positive and negative goodwill arising on consolidation is capitalised as an asset and amortised over its useful economic life. Previously, positive goodwill arising on consolidation was written off to reserves in the year of acquisition and negative goodwill arising on consolidation was credited directly to capital reserves.

The directors have taken advantage of the transitional arrangements in FRS.10 and have not reinstated goodwill previously eliminated against reserves. On any subsequent disposals, the goodwill will be charged or credited to the profit and loss account.

**Tangible fixed assets**

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	20 - 25% reducing balance basis
Motor vehicles	25% reducing balance basis
Fixtures and fittings	20 - 30% reducing balance basis

**Investment property**

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.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**1. ACCOUNTING POLICIES - continued**

**Stocks**

Stock and work in progress, other than long term contracts, are valued at the lower of cost and net realisable value.

**Deferred tax**

Deferred tax is 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.

**Leased assets**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account in the year in which they become payable.

**Pension costs**

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

**Valuation of investments**

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

**Long term contracts**

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account.

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for the contract.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**2. TURNOVER**

Analysis by class of business	2014 £	2013 £
Contracting, house building and property development	643,707	5,831,080
Property income	1,580,290	1,729,542
	<u>2,223,997</u>	<u>7,560,622</u>

Turnover arises solely within the United Kingdom.

**3. STAFF COSTS**

Group staff costs (including directors) consist of:	2014 £	2013 £
Wages and salaries	493,512	1,103,984
Social security costs	54,669	122,402
Other pension costs	30,085	65,542
	<u>578,266</u>	<u>1,291,928</u>

The average number of employees (including directors) during the year was as follows:

	2014	2013
Administration	10	11
Construction	1	18
	<u>11</u>	<u>29</u>

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2014 £	2013 £
Bank deposits	8,757	-
Loans to associates	253,818	335,832
Other interest	-	10,429
	<u>262,575</u>	<u>346,261</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2014 £	2013 £
Bank loans and overdrafts	134,486	152,306
All other loans (excluding loans from group companies)	142,031	184,673
Finance leases and hire purchase contracts	11,096	2,365
Early redemption charge	65,562	-
	<u>353,175</u>	<u>339,344</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit on ordinary activities is stated after charging/(crediting):

	2014 £	2013 £
Depreciation - owned assets	9,200	11,942
Depreciation - assets on hire purchase contracts	4,343	15,439
(Profit)/loss on disposal of fixed assets	(59,398)	308
Hire of other assets - operating leases	1,322	-
	<u>219,127</u>	<u>332,858</u>
Directors' remuneration	15,000	30,050
Directors' pension contributions to money purchase schemes	<u>15,000</u>	<u>30,050</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2014 £	2013 £
Emoluments etc	126,653	165,080
Pension contributions to money purchase schemes	-	10,050
	<u>126,653</u>	<u>175,130</u>

**7. AUDITORS' REMUNERATION**

	2014 £	2013 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>20,500</u>	<u>23,500</u>

	2014 £	2013 £
Auditors' remuneration comprises the following:		
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,500
Auditing of the financial statements of associates of the company under the legislation	10,000	13,000
Other services related to taxation	<u>5,000</u>	<u>5,000</u>

Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	760,707	132,977
Adjustment in respect of previous periods	(12,681)	-
Associates corporation tax	2,905	4,827
Total current tax	<u>750,931</u>	<u>137,804</u>
Deferred tax:		
Origination and reversal of timing differences	(29)	36,991
Associates deferred tax	-	25,211
Total deferred tax	<u>(29)</u>	<u>62,202</u>
Tax on profit on ordinary activities	<u>750,902</u>	<u>200,006</u>

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>37,583</u>	<u>474,573</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 - 23%)	7,892	109,152
Effects of:		
Expenses not deductible for tax purposes	2,025	12,701
Capital allowances in excess of depreciation	(37,938)	(46,381)
Utilisation of tax losses	(191,062)	(6,174)
Adjustments to tax charge in respect of previous periods	(12,681)	-
Other tax adjustments (pension creditor)	-	(1,212)
Tax related to associates	(23,586)	70,794
Difference in corporation tax rates	33,848	(1,076)
Impairment losses	149,100	-
Capital gains	823,333	-
Current tax charge	<u>750,931</u>	<u>137,804</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**8. TAXATION - continued**

**Factors that may affect future tax charges**

Estimated tax trading losses of £181,000 (2013 - £558,000) and non trading losses of £Nil (2013 - £533,000) are available within the group for carry forward against future profits.

The directors have recognised a deferred tax asset of £15,712 (2013 - £21,128) in respect of accelerated capital allowances, trading losses and short term timing differences expected to crystallise in the foreseeable future. This amounts has been disclosed separately to the deferred tax liability given that no right of set-off exists. No deferred tax assets have been recognised in respect of losses in businesses where the future recoverability of the asset is uncertain.

The amounts unprovided are detailed in note 22.

**9. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £555,280 (2013 - £1,235,636).

**10. DIVIDENDS**

	2014 £	2013 £
"B" Ordinary shares shares of £1 each Interim	500,000	-

**11. PENSIONS**

The group operates a defined contribution pensions scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £30,085 (2013 - £65,542). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**12. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill £</b>
<b>COST</b>	
At 1 October 2013	
and 30 September 2014	296,477
<b>AMORTISATION</b>	
At 1 October 2013	
and 30 September 2014	296,477
<b>NET BOOK VALUE</b>	
At 30 September 2014	-
At 30 September 2013	-

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

13. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 October 2013	16,500	101,979	206,504	324,983
Additions	-	3,015	-	3,015
Disposals	(16,500)	(10,926)	(147,405)	(174,831)
At 30 September 2014	-	94,068	59,099	153,167
<b>DEPRECIATION</b>				
At 1 October 2013	16,440	101,979	127,190	245,609
Charge for year	-	2,275	11,268	13,543
Eliminated on disposal	(16,440)	(10,926)	(100,890)	(128,256)
At 30 September 2014	-	93,328	37,568	130,896
<b>NET BOOK VALUE</b>				
At 30 September 2014	-	740	21,531	22,271
At 30 September 2013	60	-	79,314	79,374

The net book value of tangible fixed assets includes £11,327 (2013 - £46,316) in respect of assets held under hire purchase contracts.

Company

	Fixtures and fittings £
<b>COST</b>	
Additions	1,391
At 30 September 2014	1,391
<b>DEPRECIATION</b>	
Charge for year	464
At 30 September 2014	464
<b>NET BOOK VALUE</b>	
At 30 September 2014	927

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

14. FIXED ASSET INVESTMENTS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Shares in group undertakings	-	-	524,100	524,100
Participating interests	40,906	1,382,527	-	50,000
Loans to undertakings in which the company has a participating interest	1,897,875	1,915,846	-	-
	<u>1,938,781</u>	<u>3,298,373</u>	<u>524,100</u>	<u>574,100</u>

Additional information is as follows:

**Group**

	Interest in associates £
<b>COST</b>	
At 1 October 2013	1,382,527
Disposals	(1,464,865)
Share of profit/(loss)	123,244
At 30 September 2014	<u>40,906</u>
<b>NET BOOK VALUE</b>	
At 30 September 2014	<u>40,906</u>
At 30 September 2013	<u>1,382,527</u>

**Interest in associates**

The group's aggregate share of associates at the year end is as follows:

	2014 £	2013 £
Profit/(loss) before tax	126,149	(286,815)
Taxation	(2,905)	(30,038)
Profit/(loss) after tax	<u>123,244</u>	<u>(316,853)</u>
Share of assets		
Fixed assets	-	12,559,261
Current assets	18,307,053	20,177,228
Share of liabilities		
Share of liabilities due within one year	(287,078)	(2,737,430)
Share of liabilities due after one year or more	(17,979,069)	(28,616,532)
Share of net assets	<u>40,906</u>	<u>1,382,527</u>



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

14. FIXED ASSET INVESTMENTS - continued

Group

Lunn Healthcare Group Associates

The group's share of Lunn Healthcare Group Associates is as follows:

	2014 £	2013 £
Turnover	<u>362,530</u>	<u>836,628</u>
Profit/(loss) before tax	113,328	(317,771)
Taxation	-	(25,211)
Profit/(loss) after tax	<u>113,328</u>	<u>(342,982)</u>
Share of assets		
Fixed assets	-	12,559,261
Current assets	-	833,993
Share of liabilities		
Liabilities due within one year	-	(2,360,938)
Liabilities due after one year or more	-	(9,680,779)
Share of net assets	<u>-</u>	<u>1,351,537</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

14. FIXED ASSET INVESTMENTS - continued

Group

Leeds Independent Living Accommodation Company

The group's share of Leeds Independent Living Accommodation Company is as follows:

	2014 £	2013 £
Turnover	941,069	856,613
Profit before tax	12,821	30,956
Tax charge	(2,905)	(4,827)
Profit after tax	9,916	26,129
Dividend received	-	(116,666)
Share of assets		
Fixed assets	-	-
Current assets	18,307,053	19,343,235
Share of liabilities		
Liabilities due within one year	(287,078)	(376,491)
Liabilities due after one year	(17,979,069)	(18,935,754)
Share of net assets	40,906	30,990

Lunn Healthcare Group comprises Lunn Healthcare Properties Limited and Lunn Healthcare Facilities Limited. The group's interest in these companies was disposed of during the year.

Leeds Independent Living Accommodation Company Group comprises Leeds Independent Living Accommodation Company Holdings Limited and Leeds Independent Living Accommodation Company Limited.

The shareholding in the Leeds Independent Living Accommodation Company Group is held by a fellow group company.

Interest in associates	2014 £	2013 £
Cost	50,333	50,333
Additions	8,651	-
Disposals	(58,651)	-
	333	50,333

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

14. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Interest in associates £	Totals £
<b>COST</b>			
At 1 October 2013	569,200	50,000	619,200
Additions	-	8,651	8,651
Disposals	-	(58,651)	(58,651)
	<u>569,200</u>	<u>-</u>	<u>569,200</u>
At 30 September 2014	569,200	-	569,200
<b>PROVISIONS</b>			
At 1 October 2013 and 30 September 2014	45,100	-	45,100
<b>NET BOOK VALUE</b>			
At 30 September 2014	<u>524,100</u>	<u>-</u>	<u>524,100</u>
At 30 September 2013	<u>524,100</u>	<u>50,000</u>	<u>574,100</u>

Group

	Loans to associates £
At 1 October 2013	1,915,846
Repayment in year	(17,971)
At 30 September 2014	<u>1,897,875</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**14. FIXED ASSET INVESTMENTS - continued**

The loan to associated undertakings accrues interest at 12% per annum in accordance with the shareholder agreement.

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

<b>Subsidiary undertakings</b>	<b>Country of incorporation</b>	<b>Class of share capital held</b>	<b>Proportion of share capital held</b>	<b>Nature of business</b>
Jack Lunn (Leeds) Limited	England & Wales	Ordinary	100	Holding company
Jack Lunn (Properties) Limited	England & Wales	Ordinary	100	Property investment
Jack Lunn (Homes) Limited	England & Wales	Ordinary	100	Residential property development
Jack Lunn (Construction) Limited*	England & Wales	Ordinary	100	Building contractor
Jack Lunn (Developments) Limited	England & Wales	Ordinary	100	Dormant
Byre Developments Limited	England & Wales	Ordinary	100	Residential property development
Ryancliff (Morley) Limited*	England & Wales	Ordinary	100	Residential property development
<b>Associated undertakings</b>				
Leeds Independent Accommodation Company Holdings Limited*	England & Wales	Ordinary A	33	Holding company
Leeds Independent Living Accommodation Company Limited*	England & Wales	Ordinary A	33	Residential property company

\* Investments held by fellow group company

**15. INVESTMENT PROPERTY**

**Group**

	<b>Total £</b>
<b>COST OR VALUATION</b>	
At 1 October 2013	25,584,416
Additions	57,191
Disposals	(3,600,000)
Revaluations	694,159
Impairments	(710,000)
At 30 September 2014	22,025,766
<b>NET BOOK VALUE</b>	
At 30 September 2014	22,025,766
At 30 September 2013	25,584,416

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

15. INVESTMENT PROPERTY - continued

Group

The historical cost of freehold investment properties is:

	2014 £	2013 £
Cost	<u>17,065,411</u>	<u>18,079,079</u>

The investment properties held at 30 September 2014 were valued by an officer of the company qualified as a Chartered Surveyor in accordance with RICS valuation standards on an open market basis.

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 £1,525,000 (2013 - £1,525,000).

16. STOCKS

	Group	
	2014 £	2013 £
Work-in-progress	<u>812,252</u>	<u>990,005</u>

There is no material difference between the replacement cost of stock and the amounts stated above.

17. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts falling due within one year:				
Trade debtors	151,830	392,709	-	-
Amounts owed by group undertakings	-	-	580,974	1,027,060
Amounts owed by associated undertakings	-	2,315,600	-	1,336,310
Amounts recoverable on contracts	8,683	87,021	-	-
Other debtors	1,002,732	1,199,270	-	-
Deferred tax	15,712	21,228	-	-
Prepayments and accrued income	173,715	178,890	2,131	129
	<u>1,352,672</u>	<u>4,194,718</u>	<u>583,105</u>	<u>2,363,499</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	3,319,134	6,303,363
	<u>-</u>	<u>-</u>	<u>3,319,134</u>	<u>6,303,363</u>
Aggregate amounts	<u>1,352,672</u>	<u>4,194,718</u>	<u>3,902,239</u>	<u>8,666,862</u>

Other debtors include £997,336 (2013 - £1,180,986) which represents amounts recoverable under the Equity Shared Scheme, which are not necessarily recoverable within one year.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 20)	1,069,186	1,565,454	-	-
Other loans (see note 20)	2,192,878	182,517	-	-
Hire purchase contracts (see note 21)	4,028	23,072	-	-
Trade creditors	224,711	614,140	-	10,500
Amounts owed to group undertakings	-	-	3,133,553	3,606,407
Corporation tax	441,734	625,099	72,197	13,500
Social security and other taxes	78,785	63,228	8,388	-
Other creditors	262,988	264,787	260,787	264,787
Directors' loan accounts	634,556	598,556	634,556	598,556
Accruals and deferred income	1,993,527	2,623,682	9,340	7,625
	<u>6,902,393</u>	<u>6,560,535</u>	<u>4,118,821</u>	<u>4,501,375</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets and undertakings of the company and its subsidiary undertakings together with cross guarantees and debentures given by its subsidiary undertakings.

The mortgage loans are secured by fixed charges over certain properties held by a subsidiary.

Assets held under hire purchase contracts are secured on the assets to which they relate.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2014	2013
	£	£
Bank loans (see note 20)	3,817,500	4,137,500
Other loans (see note 20)	638,594	3,744,625
Hire purchase contracts (see note 21)	-	15,423
	<u>4,456,094</u>	<u>7,897,548</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

20. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2014	2013
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	749,186	1,245,454
Bank loans	320,000	320,000
Mortgage loans	2,192,878	182,517
	<u>3,262,064</u>	<u>1,747,971</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	3,817,500	320,000
Mortgage loans - 1-2 years	45,182	2,243,814
	<u>3,862,682</u>	<u>2,563,814</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	3,817,500
Mortgage loans - 2-5 years	593,412	1,500,811
	<u>593,412</u>	<u>5,318,311</u>
Loan analysis	<b>Group</b>	<b>Group</b>
	2014	2013
	£	£
4.05% mortgage repayable in 2015	-	2,149,558
4.40% mortgage loan repayable in 2017	638,594	681,914
6.21% mortgage loan repayable in 2018	-	913,153
Bank loan repayable in 2016	3,817,500	4,137,500
	<u>4,456,094</u>	<u>7,882,125</u>
	<b>Group</b>	<b>Group</b>
	2014	2013
	£	£
Wholly repayable within five years	6,968,972	8,384,642
Included in current liabilities	(2,512,878)	(502,517)
	<u>4,456,094</u>	<u>7,882,125</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

21. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts 2014 £	2013 £
Net obligations repayable:		
Within one year	4,028	23,072
Between one and five years	-	15,423
	<u>4,028</u>	<u>38,495</u>

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases 2014 £	2013 £
Expiring:		
Between one and five years	<u>5,287</u>	<u>-</u>

22. PROVISIONS FOR LIABILITIES

Group	Deferred taxation £			
At 1 October 2013				317,540
Credited to profit and loss account				(5,545)
At 30 September 2014				<u>311,995</u>
Deferred taxation	Provided 2014 £	Provided 2013 £	Unprovided 2014 £	Unprovided 2013 £
Accelerated capital allowances	311,995	317,540	-	-
On disposal of properties at net book value	-	-	(230,000)	435,000
Un-utilised tax losses	-	-	(36,000)	(112,000)
	<u>311,995</u>	<u>317,540</u>	<u>(266,000)</u>	<u>323,000</u>

Deferred tax is not provided in respect of revalued investment properties as no liability is expected to crystallise.

Deferred tax has been recognised at a rate of 20% (2013 - 21%) based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£	£
8,062	"A" Ordinary shares	£1	8,062	8,062
16,938	"B" Ordinary shares	£1	16,938	16,938
			<u>25,000</u>	<u>25,000</u>

"A" Ordinary shares have no rights to dividends, voting or attendance at General Meetings, or capital in the event of winding up.

24. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 October 2013	11,162,709	9,543,984	20,706,693
Deficit for the year	(713,319)	-	(713,319)
Dividends	(500,000)	-	(500,000)
Revaluation	-	694,159	694,159
Revaluation transfer on the disposal of investments and investment properties	5,277,791	(5,277,791)	-
At 30 September 2014	<u>15,227,181</u>	<u>4,960,352</u>	<u>20,187,533</u>

Company

	Profit and loss account £
At 1 October 2013	5,105,832
Profit for the year	555,280
Dividends	(500,000)
At 30 September 2014	<u>5,161,112</u>

The revaluation reserve includes an amount of £Nil (2013 - £2,038,649) attributable to associated undertakings.

25. CONTINGENT LIABILITIES

The company has given an unlimited guarantee and debenture to Barclays Bank plc to secure its borrowings and those of its subsidiary and associated undertakings. At 30 September 2014 the net borrowings amounted to £4,886,686 (2013 - £7,600,385).

The group, and its connected companies have entered into performance bonds in the normal course of business which have been guaranteed by the group's insurers to a total of £520,651 (2013 - £57,987).

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014**

**26. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures', not to disclose related party transactions with its wholly owned subsidiaries.

**Lunn Healthcare Facilities Limited**

50% interest of Jack Lunn (Holdings) Limited

During the year wholly owned subsidiaries of the company entered the following transaction with Lunn Healthcare Facilities Limited up until the group disposed of its interest in the company:

- Management charges of £Nil (2013 - £4,000)
- Expenses recharged of £12,528 (2013 - £109,505)
- Interest charged £Nil (2013 - £53,798)

The above transactions were all negotiated on an arms length basis.

	2014 £	2013 £
Amount due from related party at the balance sheet date	-	25,827

**Lunn Healthcare Properties Limited**

50% interest of Jack Lunn (Holdings) Limited

During the year wholly owned subsidiaries of the company entered the following transaction with Lunn Healthcare Properties Limited up until the group disposed of its interest in the company:

- Rent charged to the group £43,846 (2013 - £Nil)
- Expenses recharged of £Nil (2013 - £50,799)
- Construction activity of £Nil (2013 - £400,000)
- Interest charged £24,389 (2013 - £49,645)

The above transactions were all negotiated on an arms length basis.

	2014 £	2013 £
Amount due from related party at the balance sheet date	-	2,289,773

**Leeds Independent Living Accommodation Company Holdings Ltd**

33% interest of Jack Lunn (Properties) Limited

During previous years the group made a loan of £1,999,138 to Leeds Independent Living Accommodation Company Holdings Limited in accordance with a shareholder agreement. Interest charged on the loan in the year amounted to £229,429 (2013 - £232,389) at a rate of 12% per annum. At 30 September 2014 in addition to the balance outstanding, interest had been accrued but not received totalling £113,873 (2013 - £116,122) and is included within prepayments and accrued income.

	2014 £	2013 £
Amount due from related party at the balance sheet date	1,897,875	1,915,846

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

26. RELATED PARTY DISCLOSURES - continued

**Mrs H Lunn**  
Director

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>169,515</u>	<u>189,515</u>

**R Lunn**  
Director

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>94,547</u>	<u>124,547</u>

**G Lunn**  
Director

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>370,494</u>	<u>284,494</u>

**Mrs C Lunn**  
Wife of R Lunn

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>260,787</u>	<u>264,787</u>

Dividends of £500,000 were paid during the year to the shareholders of the company in proportion to their shareholding. Of this amount £329,348 was paid to the company's directors.

**Jack Lunn Limited**  
A company connected by common shareholders

During the year the group made sales at arm's length of £56,954 to Jack Lunn Limited.

	2014 £	2013 £
Amount due from related party at the balance sheet date	<u>32</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 September 2014

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

**Group**

	2014 £	2013 £
(Loss)/profit for the financial year	(713,319)	274,567
Dividends	(500,000)	-
	<u>(1,213,319)</u>	<u>274,567</u>
Other recognised gains and losses relating to the year (net)	694,159	434,958
	<u>(519,160)</u>	<u>709,525</u>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>20,731,693</b>	<b>20,022,168</b>
Opening shareholders' funds		
	<u>20,212,533</u>	<u>20,731,693</u>
<b>Closing shareholders' funds</b>		

**Company**

	2014 £	2013 £
Profit for the financial year	555,280	1,235,636
Dividends	(500,000)	-
	<u>55,280</u>	<u>1,235,636</u>
<b>Net addition to shareholders' funds</b>	<b>5,130,832</b>	<b>3,895,196</b>
Opening shareholders' funds		
	<u>5,186,112</u>	<u>5,130,832</u>
<b>Closing shareholders' funds</b>		