

Jack Lunn (Holdings) Limited

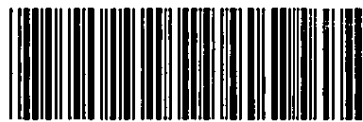
Report and Financial Statements

Year Ended

30 September 2012

Company Number 1473324

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Jack Lunn (Holdings) Limited

Report and financial statements for the year ended 30 September 2012

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Directors

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

Secretary and registered office

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

Company number

1473324

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 (Holdings) Limited

Report of the directors for the year ended 30 September 2012

The directors present their report together with the audited financial statements for the year ended 30 September 2012

Results and dividends

The profit and loss account is set out on pages 6 to 7 and shows the profit for the year

No interim dividends were paid to ordinary shareholders during the year. The directors do not recommend the payment of a dividend.

Principal activities, review of business and future developments

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

Review of business and future developments

Turnover for the year has decreased from £16,971,557 to £9,308,227 principally in relation to the reduced turnover in our Construction business. However, profit before tax has increased from £2,152,813 to £2,363,108. The directors are satisfied with this result.

Construction turnover fell from £12,495,959 to £6,449,877. Profit before tax was £2,131,628 (2011: £2,502,381) including the effect of settlements achieved on some significant older accounts.

The property investment business, Jack Lunn (Properties) Limited, suffered a fall in rental income from £1,517,139 to £1,339,100. The full effect of rental income on properties acquired during the year will not be reflected until the next year's accounts. Profit before tax has improved from £165,712 to £843,134.

The underlying position in our Healthcare division was profitable, but property write downs and rental credits have generated a significant loss in the year.

Losses in our residential development companies have continued to fall and this improvement will continue into next year.

The directors are satisfied with the above results which have been achieved in a challenging year for the Group. This is a credit to our management and all employees.

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.

Market value of land and buildings

The directors examined the properties portfolio at 30 September 2012, and revalued these as appropriate having regard to current market conditions.

Jack Lunn (Holdings) Limited

Report of the directors for the year ended 30 September 2012 (continued)

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.

Directors

The directors of the company during the year were

H Lunn
R Lunn
G Lunn
A Lunn
R J Brown

The directors who retire by rotation are R J Brown and R 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 group and company 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 group and company 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 (Holdings) Limited

Report of the directors for the year ended 30 September 2012 *(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.

By order of the board



P McAteer
Secretary

3 May 2013

Jack Lunn (Holdings) Limited

Independent auditor's report

To the members of Jack Lunn (Holdings) Limited

We have audited the financial statements of Jack Lunn (Holdings) Limited for the year ended 30 September 2012 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the consolidated 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2012 and of the group's 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 (Holdings) 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 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



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

3 May 2013

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

Jack Lunn (Holdings) Limited

Consolidated profit and loss account for the year ended 30 September 2012

	Note	2012 £	2011 £
Turnover	2	9,308,227	16,971,557
Cost of sales		<u>4,961,642</u>	<u>12,881,353</u>
Gross profit		4,346,585	4,090,204
Administrative expenses		<u>1,562,492</u>	<u>2,035,981</u>
		2,784,093	2,054,223
Other operating income		<u>83,705</u>	<u>129,423</u>
Group operating profit	3	2,867,798	2,183,646
Share of operating profit in associated undertaking		1,497,377	1,919,931
Loss on disposal of fixed assets - associated undertaking		(13,581)	-
Profit on ordinary activities before interest and other income		4,351,594	4,103,577
Other interest receivable and similar income			
- Group	6	347,227	144,464
- Associated undertaking		3,719	2,527
Interest payable and similar charges			
- Group	7	(365,594)	(321,150)
- Associated undertaking		(1,973,838)	(1,776,605)
Profit on ordinary activities before taxation carried forward		2,363,108	2,152,813

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Consolidated profit and loss account for the year ended 30 September 2012 (*continued*)

	Note	2012 £	2011 £
Profit on ordinary activities before taxation brought forward		2,363,108	2,152,813
Taxation on profit on ordinary activities	8	672,216	580,461
Profit on ordinary activities after taxation		1,690,892	1,572,352

All amounts relate to continuing activities

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Consolidated statement of total recognised gains and losses and consolidated note of historical cost profits and losses for the year ended 30 September 2012

	Note	2012 £	2011 £
Consolidated statement of total recognised gains and losses			
Profit for the financial year			
- group		2,159,897	1,497,667
- associated undertaking		(469,005)	74,685
		<hr/>	<hr/>
Unrealised (deficit)/surplus on revaluation of properties	22	1,690,892 (352,863)	1,572,352 332,308
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		1,338,029	1,904,660
		<hr/>	<hr/>
Consolidated note of historical cost profits and losses			
Reported profit on ordinary activities before taxation		2,363,108	2,152,813
Realisation of property revaluation gains of previous years		100,419	580,506
		<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation		2,463,527	2,733,319
		<hr/>	<hr/>
Historical cost profit for the year after taxation		1,791,311	2,152,858
		<hr/>	<hr/>

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Consolidated balance sheet at 30 September 2012

Company number 1473324	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	12		25,211,325		21,445,516
Investments in associates		1,816,046		2,285,051	
Other investments		1,931,840		1,999,138	
Fixed asset investments	13		3,747,886		4,284,189
			28,959,211		25,729,705
Current assets					
Stocks	14	1,227,610		2,920,395	
Debtors	15	5,291,976		5,026,099	
Cash at bank and in hand		2,126,404		4,039,501	
			8,645,990	11,985,995	
Creditors: amounts falling due within one year	16	8,892,872		12,228,450	
Net current liabilities			(246,882)		(242,455)
Total assets less current liabilities			28,712,329		25,487,250
Creditors, amounts falling due after more than one year	17	8,405,491		6,640,602	
Provisions for liabilities	19	284,670		162,509	
			8,690,161		6,803,111
			20,022,168		18,684,139

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Consolidated balance sheet at 30 September 2012 (*continued*)

	Note	2012 £	2012 £	2011 £	2011 £
Capital and reserves					
Called up share capital	21		25,000		25,000
Revaluation reserve	22		9,109,026		9,562,308
Profit and loss account	22		10,888,142		9,096,831
Shareholders' funds	23		20,022,168		18,684,139

The financial statements were approved by the board of directors and authorised for issue on 3 May 2013



G Lunn
Director

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Company balance sheet at 30 September 2012

<i>Company number 1473324</i>	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Fixed asset investments	13		574,100		574,100
Current assets					
Debtors	15	8,964,920		10,673,134	
Cash at bank and in hand		600,256		-	
		<u>9,565,176</u>		<u>10,673,134</u>	
Creditors: amounts falling due within one year	16	<u>6,244,080</u>		<u>8,479,974</u>	
Net current assets			<u>3,321,096</u>		<u>2,193,160</u>
Total assets less current liabilities			<u>3,895,196</u>		<u>2,767,260</u>
Capital and reserves					
Called up share capital	21		25,000		25,000
Profit and loss account	22		3,870,196		2,742,260
Shareholders' funds	23		<u>3,895,196</u>		<u>2,767,260</u>

The financial statements were approved by the board of directors and authorised for issue on 3 May 2013



G Lunn
Director

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Consolidated cashflow statement for the year ended 30 September 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	27		1,307,561		3,603,601
Returns on investments and servicing of finance					
Interest received		347,227		78,263	
Interest paid other		(362,672)		(316,538)	
Interest paid hire purchase		(2,922)		(4,612)	
Net cash outflow from returns on investments and servicing of finance			(18,367)		(242,887)
Taxation					
Corporation tax paid			(386,907)		(860,777)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(4,137,526)		(96,114)	
Payments to acquire fixed asset investments		-		(1,999,138)	
Receipts from sale of tangible fixed assets		1,612		3,814,915	
Repayment of fixed asset investment loan		67,298		-	
Net cash (outflow)/inflow from capital expenditure and financial investment			(4,068,616)		1,719,663
Dividends paid			-		(1,000,000)
Cash (outflow)/inflow before use of financing			(3,166,329)		3,219,600
Financing					
New loans		2,240,000		3,537,500	
Loans repaid		(764,084)		(3,469,579)	
Capital element of finance leases repaid		(23,877)		(16,931)	
Net cash inflow from financing			1,452,039		50,990
(Decrease)/increase in cash	28		(1,714,290)		3,270,590

The notes on pages 13 to 34 form part of these financial statements

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements for the year ended 30 September 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

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 2012 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of 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 term contract balances,

Receipts from property developments is 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 Equity Share Scheme, the proportion of advances on contracts that are due to the company under the Scheme are recognised as other debtors.

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 FRS10 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.

Depreciation

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

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements for the year ended 30 September 2012 (*continued*)

1 Accounting policies (*continued*)

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.

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 that contract.

Stocks

Stocks and work in progress, other than long term contracts, are valued at the lower of cost and net realisable value. Interest incurred on borrowings during the period of construction is included within work in progress.

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.

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 group 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 group 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 (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

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.

2 Turnover

	2012 £	2011 £
Analysis by class of business		
Contracting, house building and property development	8,019,127	15,504,418
Property income	1,289,100	1,467,139
	<u>9,308,227</u>	<u>16,971,557</u>

Turnover arises solely within the United Kingdom

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

3 Operating profit

	2012 £	2011 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	40,267	53,924
Impairment of tangible fixed assets	-	7,366
Loss on disposal of tangible fixed assets	3,825	120,466
Hire of other assets (credit)/charge - operating leases	(443,072)	182,598
Auditors' remuneration		
- fees payable to the company's auditor for the audit of the company's financial statements	11,000	11,000
- auditing of the financial statements of associates of the company under the legislation	27,000	27,000
- other services related to taxation	11,000	11,000
	<u> </u>	<u> </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

4 Employees

Staff costs (including directors) consist of

	Group 2012 £	Group 2011 £
Wages and salaries	1,625,154	2,561,898
Social security costs	169,572	256,033
Other pension costs	134,971	174,759
	<u> </u>	<u> </u>
	1,929,697	2,992,690
	<u> </u>	<u> </u>

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

	Group 2012 Number	Group 2011 Number
Administrative	20	30
Construction	23	48
	<u> </u>	<u> </u>
	43	78
	<u> </u>	<u> </u>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

5 Directors' remuneration

	2012 £	2011 £
Directors' emoluments	376,862	372,978
Company contributions to money purchase pension schemes	79,656	99,112
	<u> </u>	<u> </u>

There were 2 directors in the group's defined contribution pension scheme during the year (2011 - 2)

The total amount payable to the highest paid director in respect of emoluments was £179,325 (2011 - £188,710) Company pension contributions of £59,656 (2011 - £79,212) were made to a money purchase scheme on his behalf

6 Other interest receivable and similar income

	2012 £	2011 £
Bank deposits	264	8
Loans to group companies	102,382	78,006
Other interest	244,581	66,450
	<u> </u>	<u> </u>
	347,227	144,464
	<u> </u>	<u> </u>

7 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	184,277	146,989
All other loans (excluding loans from group companies)	178,395	166,000
Finance leases and hire purchase contracts	2,922	4,612
Other interest payable	-	3,549
	<u> </u>	<u> </u>
	365,594	321,150
	<u> </u>	<u> </u>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

8 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	668,413	567,216
Adjustment in respect of previous periods	(102,569)	(65,043)
	<hr/>	<hr/>
Total current tax	565,844	502,173
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	41,820	16,639
Adjustment in respect of previous periods	100,783	-
Effect of tax rate change on opening balance	(18,913)	(9,519)
	<hr/>	<hr/>
Movement in deferred tax provision	123,690	7,120
	<hr/>	<hr/>
<i>Other tax</i>		
Share of associated undertaking's tax charge	(17,318)	71,168
	<hr/>	<hr/>
Taxation on profit on ordinary activities	672,216	580,461
	<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

	2012 £	2011 £
Profit on ordinary activities before tax	2,363,108	2,152,813
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 25% (2011 - 27%)	590,777	581,260
Effect of		
Expenses not deductible for tax purposes	6,259	91,277
Capital allowances for period in excess of depreciation	(46,777)	(47,638)
Utilisation of tax losses	(114)	(30,007)
Adjustment to tax charge in respect of previous periods	(102,569)	(65,043)
Other tax adjustments	8,604	(2,685)
Income not taxable	(14,672)	-
Tax related to associates and joint ventures	124,336	(24,991)
	<hr/>	<hr/>
Current tax charge for the year	565,844	502,173
	<hr/>	<hr/>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements for the year ended 30 September 2012 (*continued*)

8 Taxation on profit on ordinary activities (*continued*)

Estimated tax trading losses of £585,000 (2011 £585,000) and non trading losses of £533,000 (2011 £533,000) are available within the group for carry forward against future profits

The directors have recognised a deferred tax asset of £25,349 (2011 £26,878) in respect of accelerated capital allowances, trading losses and short term timing differences expected to crystallise in the foreseeable future. This amount 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 future recoverability of the asset is uncertain.

The amounts unprovided are detailed in note 19

9 Dividends

	2012 £	2011 £
Ordinary shares		
Interim paid of (2011 - £59.04) per share	-	1,000,000

10 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group profit for the year includes a profit after tax of £1,127,936 (2011 - £2,574,322) which is dealt with in the financial statements of the parent company.

11 Intangible fixed assets

Group

	Goodwill on consolidation £
<i>Cost or valuation</i>	
At 1 October 2011 and 30 September 2012	296,477
<i>Amortisation</i>	
At 1 October 2011 and 30 September 2012	296,477
<i>Net book value</i>	
At 30 September 2011 and 30 September 2012	-

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (*continued*)

12 Tangible fixed assets

Group

	Freehold investment properties £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 October 2011	21,338,003	24,500	204,640	141,619	21,708,762
Additions	4,142,637	-	26,850	2,026	4,171,513
Disposals	(500)	(8,000)	(19,204)	(21,128)	(48,832)
Revaluations	(360,000)	-	-	-	(360,000)
	<u>25,120,140</u>	<u>16,500</u>	<u>212,286</u>	<u>122,517</u>	<u>25,471,443</u>
At 30 September 2012					
<i>Depreciation</i>					
At 1 October 2011	-	24,358	105,148	133,740	263,246
Provided for the year	-	36	31,208	9,023	40,267
Disposals	-	(8,000)	(14,267)	(21,128)	(43,395)
	<u>-</u>	<u>16,394</u>	<u>122,089</u>	<u>121,635</u>	<u>260,118</u>
At 30 September 2012					
<i>Net book value</i>					
At 30 September 2012	<u>25,120,140</u>	<u>106</u>	<u>90,197</u>	<u>882</u>	<u>25,211,325</u>
At 30 September 2011	<u>21,338,003</u>	<u>142</u>	<u>99,492</u>	<u>7,879</u>	<u>21,445,516</u>

The historical cost of freehold investment properties is

	Group 2012 £	Group 2011 £
Cost	<u>18,049,261</u>	<u>13,914,260</u>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 *(continued)*

12 Tangible fixed assets *(continued)*

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

	Group 2012 £	Group 2011 £
<i>Net book value</i>		
Motor vehicles	38,277	79,845
<i>Depreciation charged</i>		
Motor vehicles	12,760	26,616

The investment properties held at 30 September 2012 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 applicable 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 is £1,524,900 (2011 £1,515,497)

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (*continued*)

13 Fixed asset investments

Group

	Associated undertakings £	Loans to associated undertakings £	Total £
<i>Cost</i>			
At 1 October 2011	50,333	1,999,138	2,049,471
Repayments	-	(67,298)	(67,298)
	<hr/>	<hr/>	<hr/>
At 30 September 2012	50,333	1,931,840	1,982,173
	<hr/>	<hr/>	<hr/>
<i>Share of retained profits</i>			
At 1 October 2011	2,234,718	-	2,234,718
Loss for the year	(469,005)	-	(469,005)
	<hr/>	<hr/>	<hr/>
At 30 September 2012	1,765,713	-	1,765,713
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 2012	1,816,046	1,931,840	3,747,886
	<hr/>	<hr/>	<hr/>
At 30 September 2011	2,285,051	1,999,138	4,284,189
	<hr/>	<hr/>	<hr/>

Company

	Group undertakings £	Associated undertakings £	Total £
<i>Cost</i>			
At 1 October 2011 and 30 September 2012	569,200	50,000	619,200
	<hr/>	<hr/>	<hr/>
<i>Provisions</i>			
At 1 October 2011 and 30 September 2012	45,100	-	45,100
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 September 2011 and 30 September 2012	524,100	50,000	574,100
	<hr/>	<hr/>	<hr/>

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

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

13 Fixed asset investments (continued)

Subsidiary undertakings, associated undertakings and other investments

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>Subsidiary undertakings</i>				
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 A	100	Residential property development
Ryanclyff (Morley) Limited *	England & Wales	Ordinary A	100	Residential property development
<i>Associated undertakings</i>				
Lunn Healthcare Properties Limited	England & Wales	Ordinary	50	Property investment, specifically custom designed medical centres
Lunn Healthcare Facilities Limited	England & Wales	Ordinary	50	Property development and investment, specifically custom designed medical centres
Leeds Independent Living Accommodation Company Holdings Limited *	England & Wales	Ordinary A	33	Holding company
Leeds Independent Living Accommodation Company Limited *	England & Wales	Ordinary A	33	Residential property development

* Investments held by fellow group company

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

13 Fixed asset investments (continued)

Associates

The company had the following aggregate interests in associates

	2012 £	2011 £
Share of turnover	2,643,593	2,799,661
Share of assets		
Share of fixed assets	12,809,261	13,768,045
Share of current assets	21,137,358	22,031,405
	33,946,619	35,799,450
Share of liabilities		
Due within one year	2,496,218	2,208,691
Due after one year	29,634,355	31,305,708
	32,130,573	33,514,399
Share of net assets	1,816,046	2,285,051

Included above are the following individually significant associates and joint ventures

	Lunn Healthcare Group Associates		Leeds Independent Living Accommodation Company Group	
	2012 £	2011 £	2012 £	2011 £
Turnover	611,851	960,220	2,031,742	1,839,441
Profit/(loss) before tax	(554,285)	126,654	67,962	19,199
Tax charge	(21,496)	46,166	4,178	25,002
Profit/(loss) after tax	(532,789)	80,488	63,784	(5,803)
Fixed assets	12,809,261	13,768,045	-	-
Current assets	953,556	1,138,447	20,183,802	20,892,958
Liabilities due within one year	(2,118,402)	(1,888,064)	(377,816)	(320,627)
Liabilities due after one year	(9,949,896)	(10,791,120)	(19,684,459)	(20,514,588)
Share of net assets	1,694,519	2,227,308	121,527	57,743

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 *(continued)*

13 Fixed asset investments *(continued)*

Lunn Healthcare Group comprises Lunn Healthcare Properties Limited and Lunn Healthcare Facilities Limited

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

14 Stocks

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Raw materials and consumables	-	16,975	-	-
Work in progress	460,635	2,153,420	-	-
Finished goods and goods for resale	766,975	750,000	-	-
	<u>1,227,610</u>	<u>2,920,395</u>	<u>-</u>	<u>-</u>

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

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

15 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts receivable within one year				
Trade debtors	1,268,865	1,929,090	-	-
Amounts owed by group undertakings	-	-	1,373,930	3,166,208
Amounts owed by joint ventures and associated undertakings	1,798,379	1,231,843	1,215,124	1,212,826
Other debtors	1,198,019	967,342	-	-
Prepayments and accrued income	172,983	171,880	129	115
Amounts recoverable on contracts	828,381	699,066	-	-
Deferred tax	25,349	26,878	-	-
	5,291,976	5,026,099	2,589,183	4,379,149
Amounts receivable after more than one year				
Amounts owed by group undertakings	-	-	6,375,737	6,293,985
Total debtors	5,291,976	5,026,099	8,964,920	10,673,134

Other debtors includes £1,141,011 (2011 £824,136) which represents amounts recoverable under the Equity Share Scheme, which are not necessarily recoverable within one year

16 Creditors. amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans and overdrafts (secured)	1,571,862	2,157,654	-	203,386
Mortgage loans	161,145	127,790	-	-
Payments received on account	596,268	337,687	-	-
Trade creditors	1,214,364	1,482,214	6,720	-
Amounts owed to group undertakings	-	-	5,105,119	7,212,022
Corporation tax	432,153	253,216	6,000	-
Other taxation and social security	160,259	96,919	-	-
Obligations under finance lease and hire purchase contracts	21,087	24,148	-	-
Directors' loans	790,140	719,449	790,140	719,449
Other creditors	330,695	335,793	324,076	330,077
Accruals and deferred income	3,614,899	6,693,580	12,025	15,040
	8,892,872	12,228,450	6,244,080	8,479,974

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

16 Creditors: amounts falling due within one year (continued)

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 finance lease and hire purchase contracts are secured on the assets to which they relate

17 Creditors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans	4,457,500	3,287,500	-	-
Mortgage loans	3,927,142	3,338,287	-	-
Obligations under finance lease and hire purchase contracts	20,849	14,815	-	-
	<u>8,405,491</u>	<u>6,640,602</u>	<u>-</u>	<u>-</u>
 Maturity of debt				
	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £	Finance leases 2012 £	Finance leases 2011 £
In one year or less, or on demand	<u>1,733,007</u>	<u>2,285,444</u>	<u>21,087</u>	<u>24,148</u>
 In more than one year but not more than two years	1,160,731	384,523	16,016	8,466
In more than two years but not more than five years	6,473,483	5,419,362	4,833	6,349
In more than five years	750,428	821,902	-	-
	<u>8,384,642</u>	<u>6,625,787</u>	<u>20,849</u>	<u>14,815</u>

Details of bank and mortgage loans are shown in note 18

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

18 Loans

Loan analysis

	Group 2012 £	Group 2011 £
4 05 % mortgage loan repayable in 2015	2,242,720	2,332,214
4 40% mortgage loan repayable in 2017	723,378	-
6 21% mortgage loan repayable in 2018	961,044	1,006,073
Bank loan repayable in 2016	4,457,500	3,287,500
	<hr/>	<hr/>
	8,384,642	6,625,787
	<hr/>	<hr/>

Certain of the above loans are subject to rates of interest less than those shown above for prompt payment of interest on the due dates

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Not wholly repayable within five years by instalments	270,612	312,950	-	-
Not wholly repayable within five years other than by instalments	735,461	735,461	-	-
Wholly repayable within five years	7,859,714	5,955,166	-	-
Included in current liabilities	(481,145)	(377,790)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	8,384,642	6,625,787	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (*continued*)

19 Provisions for liabilities

Group

	Deferred taxation £
At 1 October 2011	162,509
Charged to profit and loss account	122,161
	<hr/>
At 30 September 2012	284,670
	<hr/>

Deferred taxation

	Provided 2012 £	Provided 2011 £	Unprovided 2012 £	Unprovided 2011 £
Accelerated capital allowances	284,670	162,509	-	-
On disposal of properties at net book value	-	-	60,000	174,000
Unutilised tax losses	-	-	(60,000)	(161,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	284,670	162,509	-	13,000
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred tax is not provided in respect of revalued investment properties until such time there is a binding contract to sell

Deferred tax has been recognised at a rate of 23% based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date

20 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £134,971 (2011 - £174,759). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

21 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
8,062 "A" Ordinary shares of £1 each	8,062	8,062
16,938 "B" Ordinary shares of £1 each	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

22 Reserves

Group

	Revaluation reserve £	Profit and loss account £
At 1 October 2011	9,562,308	9,096,831
Revaluation deficit	(352,863)	-
Profit for the year	-	1,690,892
Revaluation transfer on the disposal of investment properties	(100,419)	100,419
	<u>9,109,026</u>	<u>10,888,142</u>
At 30 September 2012		

Company

	Profit and loss account £
At 1 October 2011	2,742,260
Profit for the year	1,127,936
	<u>3,870,196</u>
At 30 September 2012	

Revaluation reserve includes an amount of £2,304,218 (2011 £2,404,137) attributable to associated undertakings

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

23 Reconciliation of movements in shareholders' funds

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Profit for the year	1,690,892	1,572,352	1,127,936	2,574,322
Dividends	-	(1,000,000)	-	(1,000,000)
	<u>1,690,892</u>	<u>572,352</u>	<u>1,127,936</u>	<u>1,574,322</u>
Other net recognised gains and losses relating to the year				
- Unrealised (deficit)/surplus on revaluation of properties	(352,863)	332,308	-	-
	<u>1,338,029</u>	<u>904,660</u>	<u>1,127,936</u>	<u>1,574,322</u>
Net additions to shareholders' funds	1,338,029	904,660	1,127,936	1,574,322
Opening shareholders' funds	18,684,139	17,779,479	2,767,260	1,192,938
	<u>20,022,168</u>	<u>18,684,139</u>	<u>3,895,196</u>	<u>2,767,260</u>
Closing shareholders' funds	20,022,168	18,684,139	3,895,196	2,767,260

24 Contingent liabilities

The company has given an unlimited cross guarantee and debenture to Barclays Bank Plc to secure its borrowings and those of its subsidiary and associated undertakings. At 30 September 2012 the net borrowings amounted to £3,127,078 (2011 £3,764,118).

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 £600,301 (2011 £224,633).

25 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	-	-	-	6,916
After five years	-	-	174,500	-
	<u>-</u>	<u>-</u>	<u>174,500</u>	<u>6,916</u>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

26 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 its wholly owned subsidiaries

Related party transactions and balances

During the year wholly owned subsidiaries entered into the following transactions with Lunn Healthcare Facilities Limited, a company in which Jack Lunn (Holdings) Limited indirectly holds 50% of its issued share capital

- (a) Management charges of £27,030 (2011 £13,000)
- (b) Expenses recharged of £159,953 (2011 £180,026)

At 30 September 2012 Lunn Healthcare Facilities Limited owed these undertakings £30,703 (2011 £45,693)

The above transactions were all negotiated on an arms length basis

During the year wholly owned subsidiaries entered into the following transactions with Lunn Healthcare Properties Limited, a company in which Jack Lunn (Holdings) Limited indirectly holds 50% of its issued share capital

- (a) Rent and associated expenses credited from Lunn Healthcare Properties Limited recognised in the year of £504,776 (2011 charged £194,275) which represents a renegotiation of these charges and covers the current and a number of previous accounting periods
- (b) Expenses recharged to Lunn Healthcare Properties Limited of £50,060 (2011 £15)

At 30 September 2012 Lunn Healthcare Properties Limited owed these undertakings £1,798,379 (2011 £1,186,150)

The above transactions were all negotiated on an arms length basis

During the previous year 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 £239,120 (2011 £66,450) at a rate of 12% per annum At 30 September 2012 the loan balance to the group was £1,931,840 (2011 £1,999,138) and interest accrued but not received of £116,351 (2011 £66,201) is included in prepayments and accrued income

Loans and transactions concerning directors and officers of the company

	2011 £	2010 £
(Creditor)		
H Lunn	(109,515)	(16,025)
R Lunn	(179,896)	(135,178)
G Lunn	(500,729)	(568,246)

Mrs C Lunn, the wife of R Lunn, was owed £324,076 by the company at 30 September 2012 (2011 £330,077)

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (continued)

27 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	2,867,798	2,183,646
Depreciation of tangible fixed assets	40,267	53,924
Loss on sale of tangible fixed assets	3,825	120,466
Decrease in stocks	1,692,785	3,360,583
(Increase)/decrease in debtors	(267,406)	9,046
Decrease in creditors	(3,029,708)	(2,131,430)
Impairment of fixed assets	-	7,366
	<hr/>	<hr/>
Net cash inflow from operating activities	1,307,561	3,603,601
	<hr/>	<hr/>

28 Reconciliation of net cash flow to movement in net debt

	2012 £	2011 £
(Decrease)/increase in cash	(1,714,290)	3,270,590
Cash outflow from changes in debt	(1,452,039)	(50,990)
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	(3,166,329)	3,219,600
Inception of finance leases	(26,850)	-
	<hr/>	<hr/>
Movement in net debt	(3,193,179)	3,219,600
Opening net debt	(5,630,142)	(8,849,742)
	<hr/>	<hr/>
Closing net debt	(8,823,321)	(5,630,142)
	<hr/>	<hr/>

Jack Lunn (Holdings) Limited

Notes forming part of the financial statements
for the year ended 30 September 2012 (*continued*)

29 Analysis of net debt

	At 1 October 2011 £	Cash flow £	Other non- cash items £	At 30 September 2012 £
Cash at bank and in hand	4,039,501	(1,913,097)	-	2,126,404
Bank overdrafts	(1,450,669)	198,807	-	(1,251,862)
		<u>(1,714,290)</u>		
Debt due within one year	(1,554,224)	282,939	-	(1,271,285)
Debt due after one year	(6,625,787)	(1,758,855)	-	(8,384,642)
Finance leases	(38,963)	23,877	(26,850)	(41,936)
		<u>(1,452,039)</u>		
Total	<u>(5,630,142)</u>	<u>(3,166,329)</u>	<u>(26,850)</u>	<u>(8,823,321)</u>