

# Leck Group Limited

Directors' Report and Consolidated Financial Statements  
for the Year Ended 31 July 2012

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COMPANIES HOUSE

Haines Watts (Lancashire) LLP  
Statutory Auditors  
Northern Assurance Buildings  
9/21 Princess Street  
Manchester  
M2 4DN

# LECK GROUP LIMITED

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# LECK GROUP LIMITED

## COMPANY INFORMATION

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**Directors** V Barker  
C M Barker  
D R Barker

**Company secretary** D R Barker

**Registered office** Leck House  
80 Deansgate Lane  
Timperley  
Cheshire  
WA14 1SP

**Bankers** National Westminster Bank plc  
PO Box No 305  
Spring Gardens  
Manchester  
M60 2DB

**Auditors** Haines Watts (Lancashire) LLP  
Statutory Auditors  
Northern Assurance Buildings  
9/21 Princess Street  
Manchester  
M2 4DN

# **LECK GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012**

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The directors present their report and the consolidated financial statements for the year ended 31 July 2012

### **Principal activity**

Leck Group Limited is the holding company for its subsidiary companies. The principal activities of the subsidiary companies continued to be that of building contractors, property developers and investment in property.

The group's turnover decreased by 18.6% from the previous year which was due mainly to a decrease in major contract work during the financial year. This is reflective of the caution in the building industry caused by the ongoing economic uncertainty. The repair and maintenance work for a major engineering company continued at similar levels to the previous year. The gross margin achieved of 9.7% was 0.4% higher compared to the previous year. The combined impact of these factors is an increase in gross profit of £157,143. The group also sold one of its investment properties for a profit of £85,000.

### **Future developments**

As for many businesses of our size, the environment in which the company and its subsidiary undertakings operate continues to be challenging. The industry is subject to constraint on spending partly brought about by uncertainty in the British economy and partly by other factors. With these risks and uncertainties in mind, the directors are aware that any plans for future development of the group may be subject to unforeseen future events outside of their control. Nevertheless, the directors consider that the group is well placed to sustain the current level of activity in the foreseeable future.

### **Objectives and policies**

There are no financial risk management objectives and policies which are material to the assessment of the group's assets, liabilities, financial position or its profits.

### **Results and dividend**

The results for the group are set out in the financial statements.

No dividend was paid during the year.

### **Directors of the company**

The directors who held office during the year were as follows:

V Barker

C M Barker

D R Barker

### **Retirement of directors**

In accordance with the Articles of Association, CM Barker retires by rotation, and being eligible, offers herself for re-election.

### **Reappointment of auditors**

The auditors, Haines Watts (Lancashire) LLP, will be proposed for re-appointment in accordance with section 487 of the Companies Act 2006.

# LECK GROUP LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2012

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### Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

### Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Approved by the Board on 20 March 2013 and signed on its behalf by



V Barker  
Director

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LECK GROUP LIMITED**

We have audited the financial statements of Leck Group Limited for the year ended 31 July 2012, set out on pages 6 to 25. 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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**

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 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 31 July 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
LECK GROUP LIMITED**

**..... CONTINUED**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept 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



David Fort FCA (Senior Statutory Auditor)  
For and on behalf of Haines Watts (Lancashire) LLP, Statutory Auditor

Northern Assurance Buildings  
9/21 Princess Street  
Manchester  
M2 4DN

22 March 2013

**LECK GROUP LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2012**

	Note	2012 £	2011 £
Turnover	2	9,069,027	11,138,195
Cost of sales		<u>(8,192,236)</u>	<u>(10,104,261)</u>
Gross profit		876,791	1,033,934
Administrative expenses		(1,314,426)	(1,259,786)
Other operating income		<u>578,052</u>	<u>379,619</u>
Group operating profit	3	140,417	153,767
Profit on disposal of fixed assets	5	85,000	-
Income from other fixed asset investments	8	2,227	1,674
Other interest receivable and similar income	9	469	204
Interest payable and similar charges		<u>(4)</u>	<u>-</u>
Profit on ordinary activities before taxation		228,109	155,645
Tax on profit on ordinary activities	10	<u>(7,942)</u>	<u>93,294</u>
Profit for the financial year attributable to members of the parent company	21	<u>220,167</u>	<u>248,939</u>

Turnover and operating profit derive wholly from continuing operations



**LECK GROUP LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR  
THE YEAR ENDED 31 JULY 2012**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
Profit for the financial year		220,167	248,939
Unrealised deficit on revaluation of properties		-	(15,000)
Total recognised gains and losses relating to the year		<u>220,167</u>	<u>233,939</u>

**LECK GROUP LIMITED**

**NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31  
JULY 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Reported profit on ordinary activities before taxation	<u>228,109</u>	<u>155,645</u>
Historical cost profit for the year retained after taxation	<u>220,167</u>	<u>248,939</u>

**LECK GROUP LIMITED**

**CONSOLIDATED BALANCE SHEET AT 31 JULY 2012**

		2012		2011	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	11		3,560,308		4,179,637
Other investments	13		11,875		10,530
			<u>3,572,183</u>		<u>4,190,167</u>
<b>Current assets</b>					
Stocks	14	2,815,700		2,655,428	
Debtors	15	1,079,883		1,526,932	
Investments	16	6,709		6,709	
Cash at bank and in hand		<u>1,323,671</u>		<u>584,352</u>	
		5,225,963		4,773,421	
Creditors Amounts falling due within one year	17	<u>(2,933,271)</u>		<u>(3,304,580)</u>	
Net current assets			<u>2,292,692</u>		<u>1,468,841</u>
Total assets less current liabilities			5,864,875		5,659,008
Provisions for liabilities	19		<u>(41,116)</u>		<u>(55,416)</u>
Net assets			<u>5,823,759</u>		<u>5,603,592</u>
<b>Capital and reserves</b>					
Called up share capital	20	52,972		52,972	
Revaluation reserve	21	1,321,224		1,321,224	
Other reserves	21	64,165		64,165	
Profit and loss account	21	<u>4,385,398</u>		<u>4,165,231</u>	
Shareholders' funds			<u>5,823,759</u>		<u>5,603,592</u>

Approved by the Board on 20 March 2013 and signed on its behalf by



V Barker  
Director

**LECK GROUP LIMITED**  
**(REGISTRATION NUMBER: 206159)**  
**BALANCE SHEET AT 31 JULY 2012**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>Fixed assets</b>			
Investments	13	<u>177,983</u>	<u>176,638</u>
<b>Current assets</b>			
Debtors	15	4,034,266	3,964,311
Cash at bank and in hand		<u>32,068</u>	<u>-</u>
		4,066,334	3,964,311
Creditors Amounts falling due within one year	17	<u>(211,141)</u>	<u>(280,020)</u>
Net current assets		<u>3,855,193</u>	<u>3,684,291</u>
Net assets		<u>4,033,176</u>	<u>3,860,929</u>
<b>Capital and reserves</b>			
Called up share capital	20	52,972	52,972
Other reserves	21	66,027	66,027
Profit and loss account	21	<u>3,914,177</u>	<u>3,741,930</u>
Shareholders' funds		<u>4,033,176</u>	<u>3,860,929</u>

Approved by the Board on 20 March 2013 and signed on its behalf by



V Barker  
Director

**LECK GROUP LIMITED****CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2012****Reconciliation of operating profit to net cash flow from operating activities**

	<b>2012 £</b>	<b>2011 £</b>
Operating profit	140,417	153,767
Depreciation, amortisation and impairment charges	78,670	72,129
Loss on disposal of fixed assets	71,062	1,698
Increase in stocks	(160,272)	(797,079)
Decrease/(increase) in debtors	447,049	(83,910)
(Decrease)/increase in creditors	(762,394)	133,172
Net cash outflow from operating activities	<u>(185,468)</u>	<u>(520,223)</u>

**Cash flow statement**

	<b>2012 £</b>	<b>2011 £</b>
Net cash outflow from operating activities	<u>(185,468)</u>	<u>(520,223)</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	469	204
Interest paid	(4)	-
Dividends received	2,227	1,674
	<u>2,692</u>	<u>1,878</u>
Tax paid	<u>(35,406)</u>	<u>(29,929)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(132,719)	(70,253)
Sale of tangible fixed assets	687,316	1,917
Purchase of investments	(1,345)	(1,247)
	<u>553,252</u>	<u>(69,583)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>335,070</u>	<u>(617,857)</u>
Increase/(decrease) in cash	<u>335,070</u>	<u>(617,857)</u>

**Reconciliation of net cash flow to movement in net funds**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
Increase/(decrease) in cash		<u>335,070</u>	<u>(617,857)</u>
Movement in net debt	25	335,070	(617,857)
Net funds at 1 August	25	<u>117,389</u>	<u>735,246</u>
Net funds at 31 July	25	<u>452,459</u>	<u>117,389</u>

The notes on pages 12 to 25 form an integral part of these financial statements

# LECK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

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### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings, oil wells and chief rents, and in accordance with applicable accounting standards

#### Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 July 2012

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £172,247 (2011 - £153,704)

#### Turnover

Turnover comprises completed sales and the value of contracting work performed which includes attributable profit in respect of long term contracts.

#### Goodwill

Goodwill arising on acquisitions in the year ended 31 December 1997 and earlier periods was written off to reserves in accordance with the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit and loss on disposal.

#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold buildings	2% on cost or valuation
Plant and machinery	20% or 33% on net book value or cost
Motor vehicles	25% or 33 33% on net book value

#### Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### Fixed asset investments

Fixed asset investments are stated at cost less provision for any diminution in value. Current asset investments are stated at the lower of cost and net realisable value.

# **LECK GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012**

**..... CONTINUED**

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### **Stocks and work in progress**

Stocks of raw materials, land and houses for resale are valued at the lower of cost and net realisable value. Short term contracts and developments included in work in progress are valued at the lower of direct cost and net realisable value and after deducting progress payments received.

Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

### **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. Excess progress payments are included in creditors as payments on account.

### **Deferred tax**

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

### **Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### **Revaluation of property**

The group has taken advantage of the transitional provisions of FRS15 "Tangible fixed assets" and retained the book amounts of certain properties which were revalued prior to the implementation of that standard. The properties were last revalued as at 31 July 1976 and the valuations have not subsequently been updated.

### **Pensions**

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## **2 Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****3 Operating profit**

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Loss on sale of tangible fixed assets	71,062	1,698
Depreciation of owned assets	78,670	72,129
Auditor's remuneration	8,000	8,000
Auditor's remuneration - non audit services	3,820	3,640
Income from other investments (listed)	(1,372)	(1,266)
Rents receivable	<u>(400,180)</u>	<u>(401,806)</u>

**4 Auditor's remuneration**

	2012 £	2011 £
Audit of the financial statements	<u>8,000</u>	<u>8,000</u>

£2,000 (2011 - £2,000) of the fee for auditing the financial statements relates to the company

**5 Exceptional items**

	2012 £	2011 £
(Profit) / loss on sale of fixed assets	<u>(85,000)</u>	<u>-</u>



**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****6 Particulars of employees**

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows

	2012 No.	2011 No.
Office and management	22	21
Construction	63	58
	<u>85</u>	<u>79</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	2,245,791	2,145,791
Social security costs	209,083	194,370
Staff pensions	109,259	169,475
	<u>2,564,133</u>	<u>2,509,636</u>

**7 Directors' remuneration**

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including benefits in kind)	143,515	157,829
Company contributions paid to money purchase schemes	<u>96,540</u>	<u>156,539</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

**8 Income from other fixed asset investments**

	2012 £	2011 £
Income from fixed asset investments	<u>2,227</u>	<u>1,674</u>

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****9 Other interest receivable and similar income**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Other income	<u>469</u>	<u>204</u>

**10 Taxation****Tax on profit on ordinary activities**

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
<b>Current tax</b>		
Corporation tax charge	22,242	35,406
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(14,300)</u>	<u>(128,700)</u>
Total tax on profit on ordinary activities	<u>7,942</u>	<u>(93,294)</u>

**Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 20% (2011 - 20.67%)

The differences are reconciled below

	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
Profit on ordinary activities before taxation	<u>228,109</u>	<u>155,645</u>
Corporation tax at standard rate	45,622	32,167
Capital allowances net of depreciation	(5,832)	2,605
(Profit)/loss on disposal of fixed asset	(19,788)	351
Non deductible expenses	2,686	630
Dividends and distributions received	<u>(446)</u>	<u>(347)</u>
Total current tax	<u>22,242</u>	<u>35,406</u>

**LECK GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012**

**..... CONTINUED**

**11 Tangible fixed assets**

**Group**

	<b>Freehold land and buildings £</b>	<b>Investment properties £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 August 2011	90,071	3,896,190	863,761	362,781	5,212,803
Additions	-	-	52,820	79,899	132,719
Disposals	-	(665,000)	(31,800)	(53,434)	(750,234)
At 31 July 2012	90,071	3,231,190	884,781	389,246	4,595,288
<b>Depreciation</b>					
At 1 August 2011	34,493	-	754,038	244,635	1,033,166
Charge for the year	1,710	-	25,521	51,439	78,670
Eliminated on disposals	-	-	(30,401)	(46,455)	(76,856)
At 31 July 2012	36,203	-	749,158	249,619	1,034,980
<b>Net book value</b>					
At 31 July 2012	53,868	3,231,190	135,623	139,627	3,560,308
At 31 July 2011	55,578	3,896,190	109,723	118,146	4,179,637

Certain of the freehold properties included in the land and buildings category were professionally valued on an open market basis at July 1976

**Comparable historical cost for the land and buildings included at valuation:**

£

**Cost**

At 1 August 2011 and at 31 July 2012 73,666

**Depreciation**

At 1 August 2011 24,621

Charge for the year 1,474

At 31 July 2012 26,095

**Net book value**

At 31 July 2012 47,571

At 31 July 2011 49,045

**Investment properties**

Investment properties consist of freehold property £2,606,930 (2011 - £3,271,930) and long leasehold property £624,260 (2011 - £624,260)

The investment properties have been valued by the directors, on an open market basis at 31 July 2012

The historical cost of the investment properties was £1,977,580 (2011 - £2,642,580)

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****13 Investments held as fixed assets****Group****Other investments**

	<b>Listed investments £</b>	<b>Other investments £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 August 2011	9,210	3,384	12,594
Additions	1,345	-	1,345
At 31 July 2012	10,555	3,384	13,939
<b>Provision for impairment</b>			
At 1 August 2011	-	(2,064)	(2,064)
At 31 July 2012	-	(2,064)	(2,064)
<b>Net book value</b>			
At 31 July 2012	10,555	1,320	11,875
At 31 July 2011	9,210	1,320	10,530

**Other investments**

Other investments comprise of chief rents and unlisted investments with costs at 1 August 2011 and 31 July 2012 of £780 and £540 respectively. No provision for impairment is required for these investments.

They also include oil wells with a cost at 1 August 2011 and 31 July 2012 of £2,064. The cost of the oil wells has been fully impaired.

**Company**

	<b>2012 £</b>	<b>2011 £</b>
Shares in group undertakings and participating interests	167,428	167,428
Oil wells	-	-
Other investments	10,555	9,210
	177,983	176,638

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****Shares in group undertakings and participating interests**

	<b>Subsidiary undertakings £</b>
<b>Cost</b>	
At 1 August 2011	284,808
At 31 July 2012	284,808
<b>Provision for impairment</b>	
At 1 August 2011 and 31 July 2011	(117,380)
<b>Net book value</b>	
At 31 July 2012	167,428

**Other investments**

	<b>Listed investments £</b>	<b>Oil wells £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 August 2011	9,210	2,064	11,274
Additions	1,345	-	1,345
At 31 July 2012	10,555	2,064	12,619
<b>Provision for impairment</b>			
At 1 August 2011	-	(2,064)	(2,064)
<b>Net book value</b>			
At 31 July 2012	10,555	-	10,555
At 31 July 2011	9,210	-	9,210

**Details of undertakings**

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows

<b>Undertaking</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>
<b>Subsidiary undertakings</b>			
Leck Construction Limited	Ordinary	100%	Building contractors and property developers
J A Payne Limited	Ordinary	100%	Investment in property
Thirlcrest Limited	Ordinary	100%	Dormant
Handforce Limited	Ordinary	100%	Dormant
John Westall Limited	Ordinary	100%	Dormant
Chaddock Homes Limited	Ordinary	100%	Dormant

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED**

With the exception of the freehold and leasehold oil wells and chief rent, investments are stated at cost

The freehold and leasehold oil wells are at net book value in 1947 less cash received of £7,255 on disposals since and the chief rents are at valuation in 1970

At 31 July 2012 the market value of the listed investments held by the group and company was £29,410 (2011 - £27,969)

**14 Stocks and work in progress**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials	4,619	4,008	-	-
Short term contracts	3,605,221	2,908,487	-	-
Land	1,119,772	663,387	-	-
Developments	1,013,754	603,901	-	-
Payments on account	(2,927,666)	(1,524,355)	-	-
	<u>2,815,700</u>	<u>2,655,428</u>	<u>-</u>	<u>-</u>

**15 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	803,158	715,645	-	-
Amounts owed by group undertakings	-	-	4,034,221	3,963,084
Amounts recoverable on long term contracts	90,575	480,546	-	-
Other debtors	136,176	214,601	45	19
Prepayments and accrued income	49,974	116,140	-	1,208
	<u>1,079,883</u>	<u>1,526,932</u>	<u>4,034,266</u>	<u>3,964,311</u>

**16 Current asset investments**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other investments	<u>6,709</u>	<u>6,709</u>	<u>-</u>	<u>-</u>

Investments consist of deposits with financial institutions

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****17 Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	1,606,934	2,273,193	-	-
Bank loans and overdrafts	877,921	473,672	-	43,861
Amounts owed to group undertakings	-	-	102,444	102,444
Corporation tax	22,242	35,406	5,219	2,813
Other taxes and social security	63,256	69,414	7,804	8,848
Other creditors	150,242	266,866	88,614	113,501
Accruals and deferred income	212,676	186,029	7,060	8,553
	<u>2,933,271</u>	<u>3,304,580</u>	<u>211,141</u>	<u>280,020</u>

**18 Security of borrowings**

The bank overdrafts are secured by a specific charge over certain of the group's land and properties together with a fixed and floating charge over the remaining assets of the group

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****19 Provisions****Group**

	Deferred tax £	Other provision £	Total £
At 1 August 2011	17,656	37,760	55,416
Credited to the profit and loss account	(14,300)	-	(14,300)
At 31 July 2012	<u>3,356</u>	<u>37,760</u>	<u>41,116</u>

**Analysis of deferred tax**

	2012 £	2011 £
Accelerated capital allowances	3,356	25,156
Other timing differences	-	(7,500)
	<u>3,356</u>	<u>17,656</u>

No provision has been made for deferred tax on revaluing property to its market value. The tax arising from the revaluation would only be payable if the property were to be sold without rollover relief being available. The potential tax on gains arising on the revaluation is estimated to be £224,000 (2011 - £234,000). These assets are expected to be used in the continuing operations of the business and therefore no tax is expected to be paid in the foreseeable future.

Other provisions represent the estimated cost of completing a road prior to adoption by the local authority.

**20 Share capital****Allotted, called up and fully paid shares**

	2012		2011	
	No.	£	No.	£
Ordinary shares of £0.05 each	<u>1,059,444</u>	<u>52,972</u>	<u>1,059,444</u>	<u>52,972</u>



**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****21 Reserves****Group**

	<b>Revaluation reserve £</b>	<b>Other reserves £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 August 2011	1,321,224	64,165	4,165,231	5,550,620
Profit for the year	-	-	220,167	220,167
At 31 July 2012	<u>1,321,224</u>	<u>64,165</u>	<u>4,385,398</u>	<u>5,770,787</u>

**Company**

	<b>Other reserves £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 August 2011	66,027	3,741,930	3,807,957
Profit for the year	-	172,247	172,247
At 31 July 2012	<u>66,027</u>	<u>3,914,177</u>	<u>3,980,204</u>

**Capital redemption reserve**

	<b>£</b>
Balance at 1 August 2011 and 31 July 2012	<u>62,027</u>

**Acquisition reserve arising from allotment of shares under Section 131 Companies Act 1985**

	<b>£</b>
Balance at 1 August 2011 and 31 July 2012	<u>4,000</u>

The revaluation reserve of the group includes £1,277,002 (2011 - £1,277,002) in respect of surpluses on revaluation of investment properties

The cumulative amount of goodwill written off amounts to £81,103 (2011 - £81,103)

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****22 Reconciliation of movement in shareholders' funds****Group**

	<b>2012 £</b>	<b>2011 £</b>
Profit attributable to the members of the group	220,167	248,939
Other recognised gains and losses relating to the year	-	(15,000)
Net addition to shareholders' funds	220,167	233,939
Shareholders' funds at 1 August	5,603,592	5,369,653
Shareholders' funds at 31 July	<u>5,823,759</u>	<u>5,603,592</u>

**Company**

	<b>2012 £</b>	<b>2011 £</b>
Profit attributable to the members of the company	172,247	153,704
Net addition to shareholders' funds	172,247	153,704
Shareholders' funds at 1 August	3,860,929	3,707,225
Shareholders' funds at 31 July	<u>4,033,176</u>	<u>3,860,929</u>

**23 Pension schemes****Defined contribution pension scheme**

The group operates three money purchase pension schemes for the benefit of certain eligible employees. The assets of these schemes are held separately from those of the group in the independently administered funds. The pension cost charge for the year represents contributions payable by the group to the schemes and amounted to £109,259 (2011 - £169,475).

Contributions totalling £nil (2011 - £nil) were payable to the schemes at the end of the year and are included in creditors.

**24 Contingent liabilities**

a) The group has contingent liabilities in respect of contract bonds which at 31 July 2012 amounted to £411,931 (2011 - £133,832).

b) The company has guaranteed the bank overdrafts of certain subsidiary undertakings. As at 31 July 2012 these overdrafts amounted to £777,820 (2011 - £397,937).

**LECK GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012****..... CONTINUED****25 Analysis of net funds**

	<b>At 1 August 2011 £</b>	<b>Cash flow £</b>	<b>At 31 July 2012 £</b>
Cash at bank and in hand	584,352	739,319	1,323,671
Bank overdraft	(473,672)	(404,249)	(877,921)
	<u>110,680</u>	<u>335,070</u>	<u>445,750</u>
Current asset investments	6,709	-	6,709
Net funds	<u>117,389</u>	<u>335,070</u>	<u>452,459</u>

**26 Control**

The company is controlled by the V and C M Barker, both of whom are directors of the company, and who own 98% of the called up share capital