

Lunn Healthcare Properties Limited

Report and Financial Statements

Year Ended

30 September 2010

Company Number 04090487

THURSDAY



A1MEQS4X

A55

03/03/2011

COMPANIES HOUSE

4

Lunn Healthcare Properties Limited

Report and financial statements for the year ended 30 September 2010

Contents

Page:

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

Directors

D A Lestner
G Lunn
C B Wright BSc (Hons) MRICS

Secretary and registered office

G Lunn, Progress House, 99 Bradford Road, Pudsey, Leeds, West Yorkshire, LS28 6AT

Company number

04090487

Auditors

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

Bankers

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

Lunn Healthcare Properties Limited

Report of the directors for the year ended 30 September 2010

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

Results

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

The directors do not recommend payment of an ordinary dividend

Principal activities

The principal activity is that of property investment, specifically custom-designed medical facilities

Directors

The directors of the company during the year were

D A Lestner
G Lunn
C B Wright

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lunn Healthcare Properties Limited

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

Auditors

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

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

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

On behalf of the board

G Lunn



Director

Date 21 February 2011

Lunn Healthcare Properties Limited

Independent auditor's report

TO THE MEMBERS OF LUNN HEALTHCARE PROPERTIES LIMITED

We have audited the financial statements of Lunn Healthcare Properties Limited for the year ended 30 September 2010 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Lunn Healthcare Properties Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

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

Date *24 February 2011*

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

Lunn Healthcare Properties Limited

Profit and loss account for the year ended 30 September 2010

	Note	2010 £	2009 £
Income from investment properties	2	1,361,562	985,825
Cost of sales		144,233	194,139
Gross profit		1,217,329	791,686
Administrative expenses		3,220	3,519
		1,214,109	788,167
Other operating income		1,987	1,340
Operating profit	3	1,216,096	789,507
Other interest receivable and similar income		80	-
Interest payable and similar charges	5	(795,990)	(581,870)
Profit on ordinary activities before taxation		420,186	207,637
Taxation on profit on ordinary activities	6	117,652	58,138
Profit on ordinary activities after taxation		302,534	149,499
All amounts relate to continuing activities			

The notes on pages 8 to 15 form part of these financial statements

Lunn Healthcare Properties Limited

Statement of total recognised gains and losses for the year ended 30 September 2010

	Note	2010 £	2009 £
Statement of total recognised gains and losses			
Profit for the financial year		302,534	149,499
Unrealised surplus on revaluation of properties	14	506,882	-
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		809,416	149,499
		<hr/>	<hr/>

There was no difference between the reported and historical cost profit and loss accounts in the current and prior year

The notes on pages 8 to 15 form part of these financial statements

Lunn Healthcare Properties Limited

Balance sheet at 30 September 2010

<i>Company number 04090487</i>	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	7		20,758,824		16,263,010
Fixed asset investments	8		1		1
			<u>20,758,825</u>		<u>16,263,011</u>
Current assets					
Debtors	9	356,067		99,750	
Cash at bank and in hand		293,755		225,820	
		<u>649,822</u>		<u>325,570</u>	
Creditors' amounts falling due within one year	10	<u>1,262,055</u>		<u>1,018,809</u>	
Net current liabilities			<u>(612,233)</u>		<u>(693,239)</u>
Total assets less current liabilities			<u>20,146,592</u>		<u>15,569,772</u>
Creditors: amounts falling due after more than one year	11		<u>17,072,514</u>		<u>13,305,110</u>
			<u>3,074,078</u>		<u>2,264,662</u>
Capital and reserves					
Called up share capital	13		100,000		100,000
Revaluation reserve	14		2,072,041		1,565,159
Profit and loss account	14		902,037		599,503
Shareholders' funds	15		<u>3,074,078</u>		<u>2,264,662</u>

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

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



G Lunn
Director

The notes on pages 8 to 15 form part of these financial statements

Lunn Healthcare Properties Limited

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

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 414 of the Companies Act 2006 as the group it heads qualifies as a small sized group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

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

Turnover

Turnover represents amounts receivable for rents net of VAT.

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.

Investment properties under construction are carried at cost.

Valuation of investments

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

Deferred taxation

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

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

Deferred tax balances are not discounted.

Lunn Healthcare Properties Limited

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

1 Accounting policies (*continued*)

Leased assets Lessor

Operating lease rentals are credited to the profit and loss account on a straight-line basis over the term of the lease

2 Turnover

Turnover arises solely within the United Kingdom

3 Operating profit

	2010 £	2009 £
This is arrived at after charging		
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	2,000	2,500
	<u> </u>	<u> </u>

4 Employees

There were no employees during the year apart from the directors

The directors received no remuneration from the company

5 Interest payable and similar charges

	2010 £	2009 £
Bank loans and overdrafts	795,990	581,870
	<u> </u>	<u> </u>

6 Taxation on profit on ordinary activities

	2010 £	2009 £
UK Corporation tax		
Group relief	117,652	58,138
	<u> </u>	<u> </u>

Lunn Healthcare Properties Limited

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

6 Taxation on profit on ordinary activities (continued)

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

	2010 £	2009 £
Profit on ordinary activities before tax	420,186	207,637
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 - 28%)	117,652	58,138
Effect of		
Group relief payment	117,652	58,138
Tax losses surrendered by group companies	(117,652)	(58,138)
Current tax charge for the year	117,652	58,138

7 Tangible fixed assets

	Freehold investment properties £	Freehold investment properties under construction £	Total £
<i>Cost or valuation</i>			
At 1 October 2009	14,157,726	2,105,284	16,263,010
Additions	4,445	3,984,487	3,988,932
Transfers	3,920,947	(3,920,947)	-
Revaluations	506,882	-	506,882
At 30 September 2010	18,590,000	2,168,824	20,758,824
At 30 September 2009	14,157,726	2,105,284	16,263,010

The historical cost of freehold investment properties is

	2010 £	2009 £
Cost	16,517,959	12,592,567

The investment properties held at 30 September 2010 were valued by an independent chartered surveyor in accordance with RICS valuation standards on an open market basis

Lunn Healthcare Properties Limited

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

8 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 October 2009 and 30 September 2010	1

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

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>		
Lunn Healthcare Facilities Limited	100%	Property development and investments

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 30 September 2010

	Aggregate share capital and reserves		(Loss)/profit for the year	
	2010	2009	2010	2009
<i>Subsidiary undertakings</i>				
Lunn Healthcare Facilities Limited	1,226,898	1,075,085	(129,709)	(655,985)

9 Debtors

	2010 £	2009 £
Trade debtors	287,536	1,826
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	3,723
Other debtors	68,531	94,201
	356,067	99,750

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

Lunn Healthcare Properties Limited

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

10 Creditors amounts falling due within one year

	2010 £	2009 £
Mortgage loans (secured)	376,720	347,006
Trade creditors	16,470	14,847
Amounts owed to associated undertakings	275,252	273,282
Other taxation and social security	69,553	-
Other creditors	2,205	2,186
Accruals and deferred income	521,855	381,488
	<u>1,262,055</u>	<u>1,018,809</u>

11 Creditors amounts falling due after more than one year

	2010 £	2009 £
Mortgage loans (secured)	13,707,576	10,090,566
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,364,938	3,214,544
	<u>17,072,514</u>	<u>13,305,110</u>

Maturity of debt

	Loans 2010 £	Loans 2009 £
In one year or less, or on demand	376,720	347,006
In more than one year but not more than two years	395,778	362,605
In more than two years but not more than five years	1,387,508	1,188,839
In more than five years	11,924,290	8,539,122
	<u>13,707,576</u>	<u>10,090,566</u>

The mortgage loans are secured on the properties to which they relate

The amounts owed to group undertakings have no fixed date for repayment

Lunn Healthcare Properties Limited

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

12 Provisions for liabilities

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

The amount of deferred tax unprovided on disposals of properties at net book value calculated at a rate of 27% (2009 28%) is £642,000 (2009 £1,100,000)

13 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
50,000 Ordinary "A" shares of £1 each	50,000	50,000
50,000 Ordinary "B" shares of £1 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>

14 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 October 2009	1,565,159	599,503
Revaluation surplus	506,882	-
Profit for the year	-	302,534
	<u>2,072,041</u>	<u>902,037</u>
At 30 September 2010		

Lunn Healthcare Properties Limited

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

15 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the year	302,534	149,499
Other net recognised gains and losses relating to the year		
- Unrealised surplus on revaluation of properties	506,882	-
	<hr/>	<hr/>
Net additions to shareholders' funds	809,416	149,499
Opening shareholders' funds	2,264,662	2,115,163
	<hr/>	<hr/>
Closing shareholders' funds	3,074,078	2,264,662
	<hr/>	<hr/>

16 Related party disclosures

Loans and transactions concerning directors and officers of the company

During the year the company entered into transactions with Lunn Healthcare Facilities Limited, its wholly owned subsidiary, as follows

(a) During the year the company was recharged expenses of £2,000 (2009 £nil) from Lunn Healthcare Facilities Limited

At 30 September 2010 the company owed £2,178,788 (2009 £3,214,544) to Lunn Healthcare Facilities Limited

During the year the company entered into transactions with Grandlane Limited, a shareholder in Lunn Healthcare Properties Limited, as follows

(a) Rents and other associated charges £86,644 (2009 £88,515)

(b) Loan received £nil (2009 £300,000)

The above transactions were all conducted on an arms length basis

At 30 September 2010 the company owed £275,252 (2009 £273,218) to Grandlane Limited

Lunn Healthcare Properties Limited

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

16 Related party disclosures *(continued)*

(a) During the year the company was recharged expenses of £15 (2009 £15) from Jack Lunn (Holdings) Limited, a shareholder in Lunn Healthcare Properties Limited

(b) During the year the company was recharged expenses of £2,440 (2009 £456) from Jack Lunn (Construction) Limited, a company which is a wholly owned subsidiary of Jack Lunn (Holdings) Limited

(c) During the year the company charged rent and other associated expenses of £193,031 (2009 £161,096) to Jack Lunn (Properties) Limited, a company which is a wholly owned subsidiary of Jack Lunn (Holdings) Limited

The above transactions were all conducted on an arms length basis

At 30 September 2010 the company owed Jack Lunn (Holdings) Limited £1,186,150 (2009, £nil), Jack Lunn (Construction) Limited £nil (2009 £64) and was owed £nil (2009 £3,723) by Jack Lunn (Properties) Limited

17 Control

The company is controlled by its shareholders