

Lunn Healthcare Properties Limited

Report and Financial Statements

Year Ended

30 September 2009

Company Number 04090487



Lunn Healthcare Properties Limited

Report and financial statements for the year ended 30 September 2009

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Directors

D A Lestner
G Lunn
C B Wright

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 2009

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

Results

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

The directors do not recommend payment of an ordinary dividend

Principal activities

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

Directors

The directors of the company during the year were

T H Edlin (retired 10 July 2009)
D A Lestner
G Lunn
C B Wright (appointed 13 July 2009)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Lunn Healthcare Properties Limited

Report of the directors for the year ended 30 September 2009 (*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

16 February 2010

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 2009 which comprise the profit and loss account, the balance sheet, the note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

12 March 2010

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 2009

	Note	2009 £	2008 £
Income from investment properties	2	985,825	775,904
Cost of sales		194,139	52,250
Gross profit		791,686	723,654
Administrative expenses		3,519	2,943
		788,167	720,711
Other operating income		1,340	844
Operating profit	3	789,507	721,555
Other interest receivable and similar income		-	5,705
Interest payable and similar charges	5	(581,870)	(509,028)
Profit on ordinary activities before taxation		207,637	218,232
Taxation on profit on ordinary activities	6	58,138	45,999
Profit on ordinary activities after taxation		149,499	172,233

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 14 form part of these financial statements

Lunn Healthcare Properties Limited

Note of historical cost profits and losses for the year ended 30 September 2009

	2009	2008
	£	£
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	207,637	218,232
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	207,637	218,232
	<hr/>	<hr/>
Historical cost profit for the year after taxation	149,499	172,233
	<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements

Lunn Healthcare Properties Limited

Balance sheet at 30 September 2009

<i>Company number 04090487</i>	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	7		16,263,010		14,061,612
Fixed asset investments	8		1		1
			<hr/>		<hr/>
			16,263,011		14,061,613
Current assets					
Debtors	9	99,750		199,825	
Cash at bank and in hand		225,820		179,257	
		<hr/>		<hr/>	
		325,570		379,082	
Creditors' amounts falling due within one year	10	1,018,809		593,516	
		<hr/>		<hr/>	
Net current liabilities			(693,239)		(214,434)
			<hr/>		<hr/>
Total assets less current liabilities			15,569,772		13,847,179
Creditors' amounts falling due after more than one year	11		13,305,110		11,732,016
			<hr/>		<hr/>
			2,264,662		2,115,163
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		100,000		100,000
Revaluation reserve	14		1,565,159		1,565,159
Profit and loss account	14		599,503		450,004
			<hr/>		<hr/>
Shareholders' funds	15		2,264,662		2,115,163
			<hr/>		<hr/>

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 16 February 2010



G Lunn
Director

The notes on pages 8 to 14 form part of these financial statements

Lunn Healthcare Properties Limited

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

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.

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.

Leased assets – Lessor

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

Lunn Healthcare Properties Limited

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

2 Turnover

Turnover arises solely within the United Kingdom

3 Operating profit

	2009 £	2008 £
This is arrived at after charging		
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	2,500	1,640

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

	2009 £	2008 £
Bank loans and overdrafts	581,870	509,028

6 Taxation on profit on ordinary activities

	2009 £	2008 £
UK Corporation tax		
Group relief	58,138	45,999

Lunn Healthcare Properties Limited

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

	2009 £	2008 £
Profit on ordinary activities before tax	207,637	218,232
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 21%)	58,138	45,829
Effect of		
Depreciation for period in excess of capital allowances	-	170
Group relief payment	58,138	45,999
Tax losses surrendered by group companies	(58,138)	(45,999)
Current tax charge for the year	58,138	45,999

7 Tangible fixed assets

	Investment properties £	Investment properties under construction £	Total £
<i>Cost or valuation</i>			
At 1 October 2008	13,693,770	367,842	14,061,612
Additions	5,749	2,195,649	2,201,398
Transfers	458,207	(458,207)	-
At 30 September 2009	14,157,726	2,105,284	16,263,010
At 30 September 2008	13,693,770	367,842	14,061,612

The historical cost of investment properties is

	2009 £	2008 £
Cost	12,592,567	12,128,611

The investment properties held at 30 September 2009 were valued by the directors on an open market basis.

Lunn Healthcare Properties Limited

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

8 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
At 1 October 2008 and 30 September 2009	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 2009

	Aggregate share capital and reserves		(Loss)/profit for the year	
	2009	2008	2009	2008
<i>Subsidiary undertakings</i>				
Lunn Healthcare Facilities Limited	1,075,085	1,768,173	(655,985)	(253,073)

9 Debtors

	2009 £	2008 £
Trade debtors	1,826	145,722
Amounts owed by group undertakings and undertakings in which the company has a participating interest	3,723	24,748
Other debtors	94,201	29,355
	99,750	199,825

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 2009 *(continued)*

10 Creditors amounts falling due within one year

	2009 £	2008 £
Mortgage loans (secured)	347,006	190,867
Trade creditors	14,847	83,473
Amounts owed to associated undertakings	273,282	-
Other creditors	2,186	-
Accruals and deferred income	381,488	319,176
	<u>1,018,809</u>	<u>593,516</u>

11 Creditors' amounts falling due after more than one year

	2009 £	2008 £
Mortgage loans (secured)	10,090,566	8,980,581
Amounts owed to group undertakings	3,214,544	2,751,435
	<u>13,305,110</u>	<u>11,732,016</u>

Maturity of debt

	Loans 2009 £	Loans 2008 £
In one year or less, or on demand	<u>347,006</u>	<u>190,867</u>
In more than one year but not more than two years	362,605	202,966
In more than two years but not more than five years	1,188,839	689,492
In more than five years	8,539,122	8,088,123
	<u>10,090,566</u>	<u>8,980,581</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 2009 (*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 28% (2008 28%) is £1,100,000 (2008 £1,046,000)

13 Share capital

	2009 £	2008 £
<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 2008	1,565,159	450,004
Profit for the year	-	149,499
	<u>1,565,159</u>	<u>599,503</u>
At 30 September 2009		

15 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the year	149,499	172,233
Opening shareholders' funds	2,115,163	1,942,930
	<u>2,264,662</u>	<u>2,115,163</u>
Closing shareholders' funds		

Lunn Healthcare Properties Limited

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

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) Investment properties with a value of £nil (2008 £3,330,000) were transferred from Lunn Healthcare Facilities Limited

At 30 September 2009 the company owed £3,214,544 (2008 £2,571,435) 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 £88,515 (2008 £84,250)

(b) Loan received £300,000 (2008 £nil)

The above transactions were all conducted on an arms length basis

At 30 September 2009 the company owed £273,218 (2008 was owed £24,748) to/by Grandlane Limited

(a) During the year the company was recharged expenses of £15 (2008 £nil) from Jack Lunn (Holdings) Limited, a shareholder in Lunn Healthcare Properties Limited

(b) During the year the company was recharged expenses of £456 (2008 £140) 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 £161,096 (2008 £nil) 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 2009 the company owed Jack Lunn (Construction) Limited £64 (2008 £nil) and was owed £3,723 (2008 £nil) by Jack Lunn (Properties) Limited

17 Control

The company is controlled by its shareholders