

**The Franklyn Group Limited**

**Report of the Directors and  
Financial Statements**

**Year ended 30 June 2010**

Jolliffe Cork LLP  
Chartered Accountants & Statutory Auditor  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

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**The Franklyn Group Limited**

**Contents of the Financial Statements  
for the year ended 30 June 2010**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>5</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Cash Flow Statement</b>	<b>9</b>
<b>Notes to the Cash Flow Statement</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

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**The Franklyn Group Limited**

**Company Information  
for the year ended 30 June 2010**

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**DIRECTORS.**

Mr R A Fleming  
Mrs S A MacArthur

**SECRETARY:**

Mr R A Fleming

**REGISTERED OFFICE.**

33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

**REGISTERED NUMBER:**

04340639 (England and Wales)

**AUDITORS:**

Jolliffe Cork LLP  
Chartered Accountants & Statutory Auditor  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

**BANKERS:**

Bank of Ireland  
Level 10  
Marsden Street  
Manchester  
Lancashire  
M2 1HW

# **The Franklyn Group Limited**

## **Report of the Directors for the year ended 30 June 2010**

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The directors present their report with the financial statements of the company for the year ended 30 June 2010

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of care homes

### **REVIEW OF BUSINESS**

The directors are pleased to report an operating profit of £225,904 during the year (2009 £248,954)

The Care Home sector is once again under the registration of a new organisation, CSCI being replaced by CQC, a new, as yet undetermined means of identifying quality to potential users and changes to the funding mechanism for social care. Significant investment in our buildings and services were made during the year, these along with further investment in enhancing the social and cultural environment in our homes are intended to ensure both compliance and customer satisfaction. The directors believe the company provides a care environment, services and processes well capable of meeting whatever the new organisation might eventually determine.

Despite the economic pressure of rising costs and challenging fee rates in part of the client group, all homes continue to produce a return and we expect a profitable year in 2010/2011.

The directors consider that the key financial performance indicators are those that communicate the financial performance of the company as a whole, these being turnover, gross profit and return on capital employed.

The directors have considered the principal risks which may affect the business. Occupancy rates are very important to the business and we are constantly reviewing our rates and policies and marketing efforts in order that these can be kept as high as possible. Our business is susceptible to changes in interest rates due to the very substantial capital investment in purchasing the homes and maintaining them to a very high standard.

We have interest cover of over four times based on the results for 2009/2010 and have further borrowing capacity if required.

### **DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2010.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2009 to the date of this report.

Mr R A Fleming

Mrs S A MacArthur

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

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

**The Franklyn Group Limited**

**Report of the Directors  
for the year ended 30 June 2010**

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**AUDITORS**

The auditors, Jolliffe Cork LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**



Mr R A Fleming - Secretary

Date 22 November 2010

## **Report of the Independent Auditors to the Shareholders of The Franklyn Group Limited**

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We have audited the financial statements of The Franklyn Group Limited for the year ended 30 June 2010 on pages five to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 June 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.

Adam Perkin (Senior Statutory Auditor)  
for and on behalf of Jolliffe Cork LLP  
Chartered Accountants & Statutory Auditor  
33 George Street  
Wakefield  
West Yorkshire  
WF1 1LX

Date 22 November 2010

# The Franklyn Group Limited

## Profit and Loss Account for the year ended 30 June 2010

	Notes	2010 £	2009 £
<b>TURNOVER</b>		<b>1,923,784</b>	<b>1,916,670</b>
Cost of sales		<u>147,803</u>	<u>139,839</u>
<b>GROSS PROFIT</b>		<b>1,775,981</b>	<b>1,776,831</b>
Administrative expenses		<u>1,551,196</u>	<u>1,535,758</u>
		<b>224,785</b>	<b>241,073</b>
Other operating income		<u>1,119</u>	<u>7,881</u>
<b>OPERATING PROFIT</b>	3	<b>225,904</b>	<b>248,954</b>
Exceptional items	4	<u>-</u>	<u>850,000</u>
		<b>225,904</b>	<b>(601,046)</b>
Interest receivable and similar income		<u>518</u>	<u>5,005</u>
		<b>226,422</b>	<b>(596,041)</b>
Interest payable and similar charges	5	<u>67,090</u>	<u>128,404</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>159,332</b>	<b>(724,445)</b>
Tax on profit/(loss) on ordinary activities	6	<u>24,827</u>	<u>20,587</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>134,505</u></b>	<b><u>(745,032)</u></b>

### CONTINUING OPERATIONS

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

The notes form part of these financial statements

**The Franklyn Group Limited**

**Statement of Total Recognised Gains and Losses  
for the year ended 30 June 2010**

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	2010 £	2009 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>134,505</b>	<b>(745,032)</b>
Revaluation of tangible fixed assets	<u>(311,894)</u>	<u>(2,995,753)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b><u>(177,389)</u></b>	<b><u>(3,740,785)</u></b>

The notes form part of these financial statements



**The Franklyn Group Limited (Registered Number: 04340639)**

**Balance Sheet**  
**30 June 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Intangible assets	7	25,417	35,417
Tangible assets	8	<u>5,979,433</u>	<u>5,900,967</u>
		<b>6,004,850</b>	<b>5,936,384</b>
<b>CURRENT ASSETS</b>			
Stocks	9	4,350	4,350
Debtors	10	1,030,887	944,525
Cash at bank and in hand		<u>18,815</u>	<u>205,907</u>
		<b>1,054,052</b>	<b>1,154,782</b>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>325,777</u>	<u>197,784</u>
<b>NET CURRENT ASSETS</b>		<b><u>728,275</u></b>	<b><u>956,998</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,733,125</b>	<b>6,893,382</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	<u>3,200,212</u>	<u>3,183,080</u>
<b>NET ASSETS</b>		<b><u>3,532,913</u></b>	<b><u>3,710,302</u></b>

The notes form part of these financial statements

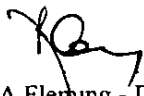
**The Franklyn Group Limited (Registered Number: 04340639)**

**Balance Sheet - continued**  
**30 June 2010**

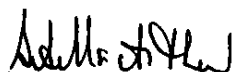
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	Notes	2010 £	2009 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,000	1,000
Revaluation reserve	16	1,830,768	2,142,662
Profit and loss account	16	<u>1,701,145</u>	<u>1,566,640</u>
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>3,532,913</u></u>	<u><u>3,710,302</u></u>

The financial statements were approved by the Board of Directors on 22 November 2010 and were signed on its behalf by



Mr R A Fleming - Director



Mrs S A MacArthur - Director

The notes form part of these financial statements

# The Franklyn Group Limited

## Cash Flow Statement for the year ended 30 June 2010

		2010	2009
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	438,473	(950,439)
Returns on investments and servicing of finance	2	(66,572)	(123,399)
Taxation		(24,362)	(35,649)
Capital expenditure	2	<u>(447,847)</u>	<u>(60,945)</u>
		(100,308)	(1,170,432)
Financing	2	<u>(82,629)</u>	<u>1,100,772</u>
Decrease in cash in the period		<u>(182,937)</u>	<u>(69,660)</u>
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(182,937)	(69,660)
Cash outflow/(inflow) from decrease/(increase) in debt		<u>82,629</u>	<u>(1,100,772)</u>
Change in net debt resulting from cash flows		<u>(100,308)</u>	<u>(1,170,432)</u>
Movement in net debt in the period		(100,308)	(1,170,432)
Net debt at 1 July		<u>(3,064,248)</u>	<u>(1,893,816)</u>
Net debt at 30 June		<u>(3,164,556)</u>	<u>(3,064,248)</u>

The notes form part of these financial statements

## The Franklyn Group Limited

### Notes to the Cash Flow Statement for the year ended 30 June 2010

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

	2010 £	2009 £
Operating profit	225,904	248,954
Depreciation charges	64,709	61,527
Loss on disposal of fixed assets	2,778	8
Write down of investment	-	(850,000)
(Increase)/Decrease in debtors	(86,362)	435,353
Increase/(Decrease) in creditors	<u>231,444</u>	<u>(846,281)</u>
Net cash inflow/(outflow) from operating activities	<u>438,473</u>	<u>(950,439)</u>

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

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	518	5,005
Interest paid	<u>(67,090)</u>	<u>(128,404)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(66,572)</u>	<u>(123,399)</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(460,507)	(61,445)
Sale of tangible fixed assets	<u>12,660</u>	<u>500</u>
Net cash outflow for capital expenditure	<u>(447,847)</u>	<u>(60,945)</u>
<b>Financing</b>		
New loans in year	-	2,758,027
Loan repayments in year	<u>(82,629)</u>	<u>(1,657,255)</u>
Net cash (outflow)/inflow from financing	<u>(82,629)</u>	<u>1,100,772</u>

The notes form part of these financial statements

## The Franklyn Group Limited

### Notes to the Cash Flow Statement for the year ended 30 June 2010

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#### 3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.09 £	Cash flow £	At 30.6.10 £
Net cash			
Cash at bank and in hand	205,907	(187,092)	18,815
Bank overdraft	<u>(4,155)</u>	<u>4,155</u>	<u>-</u>
	<u>201,752</u>	<u>(182,937)</u>	<u>18,815</u>
Debt			
Debts falling due within one year	(82,920)	(61,491)	(144,411)
Debts falling due after one year	<u>(3,183,080)</u>	<u>144,120</u>	<u>(3,038,960)</u>
	<u>(3,266,000)</u>	<u>82,629</u>	<u>(3,183,371)</u>
Total	<u>(3,064,248)</u>	<u>(100,308)</u>	<u>(3,164,556)</u>

The notes form part of these financial statements

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# The Franklyn Group Limited

## Notes to the Financial Statements for the year ended 30 June 2010

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### 1 ACCOUNTING POLICIES

#### Accounting convention

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

#### Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

#### Goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill - 10% straight line

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- 1% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on cost

Fixed assets are initially recorded at cost

No depreciation is provided on freehold land

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

#### Pensions

The company operates a defined contribution pension scheme Contributions payable for the year are charged in the profit and loss account

### 2 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	1,054,138	1,052,682
Social security costs	7,819	7,297
Other pension costs	4,004	3,711
	<u>1,065,961</u>	<u>1,063,690</u>

# The Franklyn Group Limited

## Notes to the Financial Statements - continued for the year ended 30 June 2010

### 2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2010	2009
Management	4	4
Care home staff	74	74
	<u>78</u>	<u>78</u>

### 3 OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Depreciation - owned assets	54,709	51,527
Loss on disposal of fixed assets	2,778	8
Goodwill amortisation	10,000	10,000
Auditors' remuneration	10,500	10,575
Auditor's remuneration - tax compliance	<u>600</u>	<u>600</u>
Directors' remuneration	66,800	75,164
Directors' pension contributions to money purchase schemes	<u>4,004</u>	<u>3,711</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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### 4 EXCEPTIONAL ITEMS

On 31 July 2007 the company agreed to sell the shares of its wholly owned subsidiary The Franklyn (Developments) Limited to The Franklyn (Long Term Care) Limited in the sum of £1,500,000. This amount was payable £250,000 upon completion and £1,250,000 as deferred consideration.

Subsequent to this agreement, the business of The Franklyn (Developments) Limited has suffered significantly in the current recession and consequently the directors of The Franklyn Group Limited have agreed to a reduction in the value of the deferred consideration in the sum of £850,000 and this was reflected in the 30 June 2009 financial statements.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest	65,749	104,071
Interest on other loans	1,227	24,333
Interest on corporation tax	<u>114</u>	<u>-</u>
	<u>67,090</u>	<u>128,404</u>

# The Franklyn Group Limited

## Notes to the Financial Statements - continued for the year ended 30 June 2010

### 6 TAXATION

#### Analysis of the tax charge

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

	2010 £	2009 £
Current tax		
UK corporation tax	24,827	24,362
Over/(under) provision in prior year	-	992
Total current tax	24,827	25,354
Deferred tax	-	(4,767)
Tax on profit/(loss) on ordinary activities	<u>24,827</u>	<u>20,587</u>

UK corporation tax was charged at 21% in 2009

#### Factors affecting the tax charge

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

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	<u>159,332</u>	<u>(724,445)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 21%)	44,613	(152,133)
Effects of		
Depreciation in excess of capital allowances	(13,798)	(1,097)
Disallowable items	787	177,592
Over/(under) provision in prior year	-	992
Marginal relief	<u>(6,775)</u>	-
Current tax charge	<u>24,827</u>	<u>25,354</u>



# The Franklyn Group Limited

## Notes to the Financial Statements - continued for the year ended 30 June 2010

### 7 INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 July 2009	
and 30 June 2010	<u>100,000</u>
<b>AMORTISATION</b>	
At 1 July 2009	64,583
Amortisation for year	<u>10,000</u>
At 30 June 2010	<u>74,583</u>
<b>NET BOOK VALUE</b>	
At 30 June 2010	<u>25,417</u>
At 30 June 2009	<u>35,417</u>

### 8 TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>					
At 1 July 2009	5,858,075	-	69,718	1,594	5,929,387
Additions	356,517	35,706	68,284	-	460,507
Disposals	-	-	(41,918)	-	(41,918)
Revaluations	<u>(311,894)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311,894)</u>
At 30 June 2010	<u>5,902,698</u>	<u>35,706</u>	<u>96,084</u>	<u>1,594</u>	<u>6,036,082</u>
<b>DEPRECIATION</b>					
At 1 July 2009	-	-	27,801	619	28,420
Charge for year	37,646	1,833	14,991	239	54,709
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(26,480)</u>	<u>-</u>	<u>(26,480)</u>
At 30 June 2010	<u>37,646</u>	<u>1,833</u>	<u>16,312</u>	<u>858</u>	<u>56,649</u>
<b>NET BOOK VALUE</b>					
At 30 June 2010	<u>5,865,052</u>	<u>33,873</u>	<u>79,772</u>	<u>736</u>	<u>5,979,433</u>
At 30 June 2009	<u>5,858,075</u>	<u>-</u>	<u>41,917</u>	<u>975</u>	<u>5,900,967</u>

The freehold properties were revalued during the year ended 30th June 2009 by the directors after taking advice from an independent, professional third party

The historical cost of the revalued assets is £4,290,483

**The Franklyn Group Limited**

**Notes to the Financial Statements - continued  
for the year ended 30 June 2010**

<b>9</b>	<b>STOCKS</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Stocks	<u><b>4,350</b></u>	<u><b>4,350</b></u>
<b>10</b>	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Trade debtors	<b>92,811</b>	108,521
	Amounts owed by related undertakings	<b>903,599</b>	798,445
	Other debtors	-	3,392
	Prepayments and accrued income	<u><b>34,477</b></u>	<u><b>34,167</b></u>
		<u><b>1,030,887</b></u>	<u><b>944,525</b></u>
<b>11</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts (see note 13)	<b>144,411</b>	87,075
	Trade creditors	<b>100,723</b>	41,235
	Tax	<b>24,827</b>	24,362
	Social security and other taxes	<b>21,571</b>	19,366
	Other creditors	<b>12,037</b>	9,052
	Accruals and deferred income	<u><b>22,208</b></u>	<u><b>16,694</b></u>
		<u><b>325,777</b></u>	<u><b>197,784</b></u>
<b>12</b>	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Bank loans (see note 13)	<b>3,038,960</b>	3,183,080
	Directors loan account	<u><b>161,252</b></u>	-
		<u><b>3,200,212</b></u>	<u><b>3,183,080</b></u>
<b>13</b>	<b>LOANS</b>		
	An analysis of the maturity of loans is given below		
		<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Amounts falling due within one year or on demand		
	Bank overdrafts	-	4,155
	Bank loans	<u><b>144,411</b></u>	<u><b>82,920</b></u>
		<u><b>144,411</b></u>	<u><b>87,075</b></u>

# The Franklyn Group Limited

## Notes to the Financial Statements - continued for the year ended 30 June 2010

### 13 LOANS - continued

	2010 £	2009 £
Amounts falling due between one and two years Bank loans	<u>147,326</u>	<u>144,417</u>
Amounts falling due between two and five years Bank loans	<u>460,062</u>	<u>450,978</u>
Amounts falling due in more than five years Repayable by instalments Bank loans	<u>2,431,572</u>	<u>2,587,685</u>

### 14 SECURED DEBTS

The following secured debts are included within creditors

	2010 £	2009 £
Bank overdraft	-	4,155
Bank loans	<u>3,183,371</u>	<u>3,266,000</u>
	<u>3,183,371</u>	<u>3,270,155</u>

Security is held by way of a cross guarantee from each of The Franklyn (Developments) Limited and The Franklyn (Long Term Care) Limited and a floating debenture dated 28 June 2002, in conjunction with a first legal charge over the the companys freehold property Stobars Hall, Kirkby Stephen, Cumbria, Kirkwood, 35 Moorfield Road, Ben Rhydding, The Gatehouse, 9 Manor Road, Harrogate

### 15 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

# The Franklyn Group Limited

## Notes to the Financial Statements - continued for the year ended 30 June 2010

### 16 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2009	1,566,640	2,142,662	3,709,302
Profit for the year	134,505		134,505
Revaluation of fixed assets	-	(311,894)	(311,894)
At 30 June 2010	<u>1,701,145</u>	<u>1,830,768</u>	<u>3,531,913</u>

### 17 CONTINGENT LIABILITIES

The company has given an unlimited guarantee date 16th November 2005 in respect of the borrowings of The Franklyn (Developments) Limited, a company related by common control

### 18 RELATED PARTY DISCLOSURES

The company was under the control of the directors throughout the current and previous year

During the year the company paid accounting and administration fees in the sum of £33,090 to The Franklyn (Developments) Limited, a company related by common control

As at the Balance Sheet date, The Franklyn Group Limited was owed £400,050, £454,993 and £48,556 from Franklyn (Long Term Care) Limited, The Franklyn (Developments) Limited and Sirtin Limited respectively, companies related by common control

During the year the company has received loans from Mr R A Fleming in the sum of £160,000, a director and shareholder of the company. As at the Balance Sheet date the director was due £161,252

### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit/(Loss) for the financial year	134,505	(745,032)
Other recognised gains and losses relating to the year (net)	<u>(311,894)</u>	<u>(2,995,753)</u>
Net reduction of shareholders' funds	(177,389)	(3,740,785)
Opening shareholders' funds	<u>3,710,302</u>	<u>7,451,087</u>
Closing shareholders' funds	<u>3,532,913</u>	<u>3,710,302</u>