

Registered number
00447302

**W.T. LAMB HOLDINGS LIMITED
AND SUBSIDIARY UNDERTAKINGS**

**DIRECTORS' REPORT AND
AUDITED GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

COMPANY INFORMATION

Directors	R A Lamb R H S Lamb J R Lamb J R C Lamb
Secretary	C Andrews
Auditor	Spofforths LLP A2 Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ
Registered office	Nyewood Court Brookers Road Billingshurst West Sussex RH14 9RZ
Registered number	00447302

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

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W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report together with the audited group financial statements for the year ended 31 December 2013.

Principal activities

The company's principal activity during the year continued to be the letting of owned property, a holding company for the W.T. Lamb Group and the development of existing and potential land holdings.

The group's principal activities continued to be that of:

- (i) specialist brick manufacturers and suppliers & the supply of masoned and related stone materials
- (ii) the holding of properties and investments
- (iii) the development of existing and potential land holdings

Directors

The directors who served during the year were as follows:

R A Lamb
R H S Lamb
J R Lamb
J R C Lamb

Directors' responsibilities

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

Company law requires the directors to prepare the 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 those 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company or group will continue in business.

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

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

Disclosure of information to the auditor

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

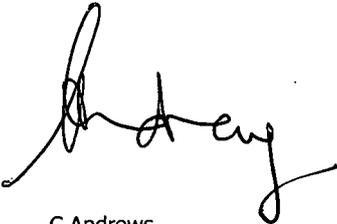
Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Auditor

A resolution to re-appoint Spofforths LLP as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 19 August 2014 and signed on behalf of the board by



C Andrews
Secretary

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

Dividends

A dividend of £207,918 was paid in 2013 and a dividend of £499,000 (12p per share) in June 2014. £249,500 (6p per share) is proposed by the Board for 2014.

Review of the business, principle risks and uncertainties and future developments

Recent events in the form of the Special Dividend paid this June as result of the partial sale of the Haywards Heath site have rather overshadowed the results for the year ended 31 December 2013.

Although not as good as the previous year, the comparative figures are somewhat distorted in that in 2012 the Company received a 'windfall profit' in the sum of £45,000 as settlement of a claim against a contractor regarding a cancelled order.

Additionally shareholders will recall my cautionary comments in last year's report in respect of the Joint Venture with Parkland Developments. Although house prices have increased over the past 12 months the increases seen in Central London have not as yet been reflected elsewhere in the country. Your Board have therefore considered it prudent to write down the value of its investment in that venture by 20% which has reduced profitability for 2013 by £235,000 which may be a sufficient adjustment once the properties are disposed of.

PROPERTIES

The details contained in last year's report on the Company's various property holdings indicated to shareholders your Board's intention to bring as many as possible to a satisfactory financial outcome as quickly as possible in the light of loosening of planning restrictions.

In furtherance of this policy therefore, we are pressing on with the following properties; Cremer Whiting, Newington Brookers Road, Billingshurst, Otterbourne, Fernlands and Fernhill House and Tower Hill, Horsham and the current situations are as follows:

Cremer Whiting

A detailed planning application was submitted to Swale Borough Council for up to 250 houses in the first week of this month. Subject to a) obtaining consent and b) agreeing satisfactory terms, we have a National Housebuilder anxious to proceed. We anticipate having a decision by Spring 2015 and hopefully before the General Election.

Newington

We are hoping to enlarge the area of the Estate by gaining consent on a former orchard of approximately 2 acres, in addition we may well gain further rental income by permitting a haul road to be constructed through our site to the A2 for the transportation of brick earth to a nearby brickworks.

Brookers Road, Billingshurst

In May of this year we purchased the Gencor office building adjacent to Nyewood Court with a view to developing both sites for residential development. Under legislation enacted in April 2013 to convert existing office space to residential accommodation, we served Horsham District Council with notice and now have a valid consent for 17 units, 5 houses on the Gencor site and 12 flats in Nyewood Court. To carry this out we will have to move our offices elsewhere, and no decision has yet been made as to where this might be, although Codmore Hill, Pulborough where we now have consent for 18,000 sq ft of industrial space seems a likely location subject to planning.

Otterbourne

The Natural Burial ground project is still in discussion, and an application might be made during the early part of 2015, access may be problematic and could curtail plans for a joint development of care assisted bungalows that we might develop with the owner of the Otterbourne Grange Residential Home.

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

Fernlands and Fernhill House

As you will be aware, Gatwick Airport may well be substantially expanded with a decision being made in early Summer 2015. Should expansion proceed then these sites totalling 8 acres will undoubtedly be affected although we do not know whether beneficially or detrimentally.

Tower Hill, Horsham

We believe that a development similar to our successful application at Haywards Heath would be ideally suited to this site, with possibly some recreational facility for the general public to be included.

Horsham Football club currently has applied for a new ground and stadium on the opposite side of the road and a little further out of town than our site. Should that be successful then we believe our chances of achieving what we are seeking would be considerably increased.

All these sites have been the subject of previous unsuccessful applications over the years, and it is only now with a change of Government policy that it is worth expending considerable time, effort and money to attempt to bring these sites to fruition. Furthermore our efforts could be frustrated should there be a change of Government at next year's General Election.

MERCHANTING

Shareholders will be aware that with the cessation of our brickmaking activities, the last few years have seen a reduction in the Group's original business of merchanting which William Tribe Lamb started in 1901.

Over the years it has had its peaks and troughs, but throughout the 113 years it has provided the key to new activities namely brickmaking, finance, investment and in more recent times property.

Operating as a close family-run business, aware that it is family owned money at risk, it has succeeded if not flourished whilst other larger and more profitable companies have come and gone.

Sadly, our specialist architectural brick merchanting business has been overtaken by the way that business is now conducted and although our reputation remains untarnished we have to accept that as far as bricks are concerned we have reached the end of the road, although there is still some scope for stone.

With such a personal business that carried the family name, your Board is very hesitant as to whom it might consider selling this part of the business. Discussions are currently in hand which might lead to a satisfactory conclusion and sale, but this is by no means certain. That is not to say that should opportunities arise where good profit can be made at minimal risk, that we will not re-enter the field, but our highly regarded service to architects and others which has been pre-eminent for so many years must now be considered a thing of the past, just as roofing was some 40 years ago.

Bricks, both manufactured and merchanted, have been the backbone of this Company's success, and the income derived from our former brickworks at Godstone, Newington and Codmore Hill will be a constant reminder of the Company's roots.

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

INVESTMENTS

Investments' contribution to Group Profits was very similar to 2012, and as shareholders will be aware this Company is used as a haven for any surplus funds not required for the Group's day-to-day business.

As a result of the partial sale of Haywards Heath site there will be a substantial tax liability due in some 12 to 18 months' time. Funds to settle this debt have been and will be placed with Investments, and invested in top quality FTSE 100 shares currently yielding between 3-5% a far more satisfactory return than can be achieved by placing money on deposit.

The Company's investment in Futura Medical plc has still not shown the capital value that it is capable of, however Futura has made considerable business progress in the last 12 months and in particular the last 6 months. In March the Company had a very successful placing, looking to raise between £5 to £9 million. In fact nearly £20 million was offered by leading City Institutions, a remarkable vote of confidence, and the £12 million pounds taken means that the Company now for the first time has funds with which it can bring the pain relief products through the regulatory channels to launch.

The Company's own CSD500 product, Blue Diamond is expected to launch at the end of September and which should lead to those key global players, where licensing arrangements are agreed, following suit.

Once positive information emanates from the Company, I believe that the share price will recover and strengthen as it brings new products to the market.

IN CONCLUSION

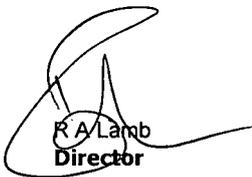
You will see therefore that we are actively engaged on several fronts at the present time, and are hopeful that our normal trading activities for 2014 will be at least as good as those for 2013.

Special situations like Haywards Heath may occur from time to time in the future, but those will be entirely dependent on our success in achieving planning consents, and cannot under any circumstances be considered with any certainty.

Should the Labour party win next year's General Election then I believe you can be certain that any financial benefits achieved by planning consents may be severely curtailed by additional taxation.

None of what has been achieved could have happened without the wholehearted support that the Directors have received from the staff, and we thank them most sincerely for their efforts.

This report was approved by the board on 19 August 2014 and signed on behalf of the board by



R A Lamb
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
W.T. LAMB HOLDINGS LIMITED**

FOR THE YEAR ENDED 31 DECEMBER 2013

We have audited the consolidated financial statements of W.T. Lamb Holdings Limited for the year ended 31 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their presentation 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 the auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Ethical Standards for Auditors.

Scope of the audit

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. In addition, we read all the financial and non-financial information in the Directors' Report and Strategic 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.

Basis for qualified opinion on the financial statements

W.T. Lamb Holding Limited's investment in Parkland Developments Limited joint venture, is carried at £939,504 on the group and company balance sheets as at 31 December 2013. In our opinion the investment is potentially overstated by £539,504 and a further impairment should be made. Accordingly, investments in both the group and company should be reduced by £539,504, the group and company profits reduced by £539,504 to show a group loss of £376,089 and company loss of £516,992 and retained earnings in the group and company should be reduced by £539,504.

Included within other debtors on the group and company balance sheets as at 31 December 2013 is an amount of £1,897,617 due from a connected company, Sussex Sandstone Limited. In our opinion the future recoverability of £570,000 of the amount due is uncertain. We are unable to obtain sufficient appropriate audit evidence regarding the future recoverability in respect of the £570,000. Consequently, we are unable to determine whether any adjustments to those amounts are necessary.

Qualified opinion on the financial statements

In our opinion, except for the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company and the group's affairs as at 31 December 2013 and of the 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 matters prescribed by the Companies Act 2006

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

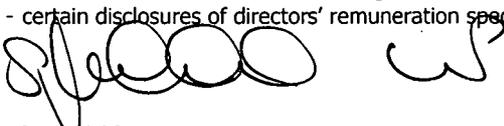
Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the recoverability of amounts owed from the connected company, as described above:

- we have not received all the information and explanations that we consider necessary for the purpose of our audit.

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
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made.



Stephen Kirkham FCA
(Senior Statutory Auditor)
for and on behalf of
Spofforths LLP
Chartered Accountants and Statutory Auditor

A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

21 August 2014

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Turnover	2	4,627,800	4,350,211
Cost of sales		(2,196,135)	(1,907,690)
Gross profit		2,431,665	2,442,521
Distribution costs		(144,675)	(134,999)
Administrative expenses		(1,988,664)	(1,770,898)
Operating profit	3	298,326	536,624
Profit on sale of fixed assets		-	13,372
Profit before interest		298,326	549,996
Interest receivable and similar income		3,521	23,255
Interest payable and similar charges	5	(29,943)	(51,462)
Profit on ordinary activities before tax		271,904	521,789
Tax on profit on ordinary activities	6	(108,759)	(126,180)
Profit for the financial year	20	163,145	395,609

Continuing operations

None of the group's activities were acquired or discontinued during the above financial year.

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£	£
Statement of total recognised gains and losses		
Profit for the financial year	163,145	<i>395,609</i>
Unrealised surplus on revalued properties	1,783,077	<i>(197,222)</i>
Unrealised surplus on revalued investment	2,027,965	<i>(1,395,020)</i>
Total recognised gains and losses since last financial statements	<u>3,974,187</u>	<u>(1,196,633)</u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

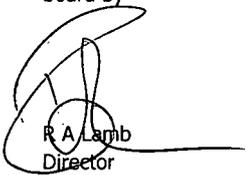
CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2013

REGISTERED NUMBER: 00447302

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Intangible assets	8		253,000		286,000
Tangible assets	9		20,736,540		18,976,128
Investments	10		7,114,434		5,065,790
Investments in joint ventures	12		939,504		1,174,380
			<u>29,043,478</u>		<u>25,502,298</u>
Current assets					
Stocks	13	3,602,297		2,653,954	
Debtors	14	2,594,867		1,755,164	
Cash at bank and in hand		297,338		434,633	
		<u>6,494,502</u>		<u>4,843,751</u>	
Creditors: amounts falling due within one year	15	<u>(2,732,365)</u>		<u>(1,738,256)</u>	
Net current assets			3,762,137		3,105,495
Total assets less current liabilities			<u>32,805,615</u>		<u>28,607,793</u>
Creditors: amounts falling due after more than one year	16		<u>(2,151,842)</u>		<u>(1,720,289)</u>
			<u>30,653,773</u>		<u>26,887,504</u>
Capital and reserves					
Share capital	18		1,039,590		1,039,590
Revaluation reserve	19		14,498,493		10,687,451
Capital redemption reserve	19		43,875		43,875
Capital reserve	19		846,362		846,362
Other reserve	19		3,221,620		3,221,620
Profit and loss account	20		11,003,833		11,048,606
Shareholders' funds	21		<u>30,653,773</u>		<u>26,887,504</u>

The financial statements were approved by the board and authorised for issue on 19 August 2014 and signed on behalf of the board by


R A Lamb
Director


R H S Lamb
Director

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

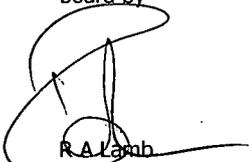
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2013

REGISTERED NUMBER: 00447302

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	9		12,028,658		10,389,243
Investments	10		1,530,427		<u>1,765,303</u>
			13,559,085		<u>12,154,546</u>
Current assets					
Stocks	13	2,755,141		2,010,874	
Debtors	14	3,781,572		3,164,887	
Cash at bank and in hand		193,793		417,276	
		6,730,506		<u>5,593,037</u>	
Creditors: amounts falling due within one year	15	(1,457,915)		<u>(820,713)</u>	
Net current assets			5,272,591		4,772,324
Total assets less current liabilities			18,831,676		<u>16,926,870</u>
Creditors: amounts falling due after more than one year	16		(2,151,842)		<u>(1,720,289)</u>
			16,679,834		<u>15,206,581</u>
Capital and reserves					
Share capital	18		1,039,590		1,039,590
Revaluation reserve	19		6,735,305		5,076,646
Capital redemption reserve	19		43,875		43,875
Capital reserve	19		222,212		222,212
Profit and loss account	21		8,638,852		<u>8,824,258</u>
Shareholders' funds	21		16,679,834		<u>15,206,581</u>

The financial statements were approved by the board and authorised for issue on 19 August 2014 and signed on behalf of the board by



R A Lamb
Director



R H S Lamb
Director

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		298,326	536,624
Depreciation		42,549	62,980
Amortisation of intangible fixed assets		33,000	33,000
Profit on sale of fixed assets		-	-
Impairment of investment		234,876	-
Increase in stocks		(948,343)	(314,221)
Increase in debtors		(839,703)	(414,000)
Increase in creditors		911,132	141,621
Net cash inflow from operating activities		(268,163)	46,004
Net cash inflow from operating activities		(268,163)	46,004
Returns on investments and servicing of finance	24	(26,422)	(28,207)
Capital expenditure and financial investment	24	(40,563)	(454,873)
Taxation		(123,588)	(111,373)
Equity dividends paid	23	(207,918)	(166,335)
Net cash flow before financing		(666,654)	(714,784)
Financing	24	(239,257)	696,513
Decrease in cash		(905,911)	(18,271)
Reconciliation of net cash flow to movements in net debt			
Decrease in cash		(905,911)	(18,271)
Cash (outflow)/inflow from (decrease)/increase in debt		239,257	(696,513)
		(666,654)	(714,784)
Net debt at 1 January 2013		(1,723,846)	(1,009,062)
Net debt at 31 December 2013	25	(2,390,500)	(1,723,846)

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of W.T. Lamb Holdings Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit or loss account is presented for W.T. Lamb Holdings Limited as permitted by Section 408 of the Companies Act 2006. Intra group transactions are eliminated on consolidation and all figures therefore relate to external transactions.

Turnover

Turnover, which is stated net of VAT, comprises rental income and investment income receivable, in addition to amounts receivable for goods and services supplied.

Goodwill

Purchased goodwill is amortised on a straight-line basis over its estimated useful life of 20 years.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives as follows:

Freehold buildings	Over 25/40 years straight line
Leasehold land and buildings	Over the term of the lease
Plant, machinery and motor vehicles	Over 5-10 years straight line

Investment properties

Certain of the group's properties are held for long term investment. In accordance with the Statement of Standard Accounting Practice No. 19, investment properties are included in the balance sheet at their open market value. The surplus or deficit on annual valuation is transferred to the revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This policy represents a departure from statutory accounting principles, which require annual depreciation of fixed assets. The directors believe that this policy of not providing depreciation or amortisation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current valuation, are of primary importance rather than a calculation of annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be simply identified or quantified.

The group companies are prohibited by their memorandum of association from distributing realised gains on the sale of property or assets. Consequently, any such gains included in the profit and loss account are transferred to other reserves.

Investments and capital reserve

Investments are stated at market value based on closing middle market price on a recognised stock exchange. If the value is in excess of original cost or previous valuation the surplus is taken to the revaluation reserve. Any revaluation surplus or deficit arising is transferred to the revaluation reserve except where the deficit is considered to be permanent. Permanent deficits are taken to the profit and loss account. A deficit on a particular investment is charged to the profit and loss account to the extent that it is not covered by surpluses arising on a previous revaluation of that investment. Dividend income from investments is accounted for on a receivable basis and credited to the profit and loss account when received.

The group companies are prohibited by their memorandum of association from distributing, by way of a dividend, realised surpluses on the sale of its investments. The surplus of net proceeds over book value on the sale of investments is included in the profit and loss account and transferred to capital reserves.

Investments in subsidiaries

Investments in subsidiaries are included at cost (less amounts written off if applicable).

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Principal accounting policies (continued)

Joint ventures

The consolidated financial statements consist of the financial statements of the Company, entities controlled by the Company (its subsidiaries) and the Group's share of interests in joint ventures and associates made up to 31 December each year.

Joint ventures are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and other ventures under a contractual agreement. The Group's share is accounted for based on the proportion of assets owing to the Group.

Stocks

Stocks, including work in progress, are stated at the lower of cost and net realisable value.

Pension contributions

The group operates defined contribution pension plans. Contributions are charged to the profit and loss account as they become payable. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the group's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Finance lease and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

2 Turnover

Turnover represents the value of goods and services supplied by the company net of VAT, together with rental and investment income receivable.

The analysis of turnover is as follows:

	2013	2012
	£	£
Goods and services	2,783,086	2,560,891
Rental income	1,750,759	1,696,944
Investment income	93,955	92,376
	<u>4,627,800</u>	<u>4,350,211</u>

Consolidated turnover includes rental income of the holding company which is shown within other income in its own profit and loss account.

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

3 Operating profit

	2013	2012
	£	£
<i>The operating profit is stated after charging:</i>		
Depreciation of owned fixed assets	39,153	57,886
Depreciation of fixed assets held under finance leases and hire purchase contracts	3,396	5,094
Amortisation of goodwill	33,000	33,000
Hire of equipment - operating leases	17,894	17,894
Auditors' remuneration - non audit services	7,850	7,850
Auditors' remuneration - audit services	18,885	32,425
	<u>18,885</u>	<u>32,425</u>

4 Directors and employees

	2013	2012
	£	£
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	1,059,114	1,178,194
Social security costs	133,270	134,705
Other pension costs	26,230	25,000
	<u>1,218,614</u>	<u>1,337,899</u>

	2013	2012
	No.	No.
The average number of employees, including directors, during the year was as follows:		
Brickmaking	13	13
Builders merchants	11	11
Property	4	4
Office and management	7	7
	<u>35</u>	<u>35</u>

	2013	2012
	£	£
Directors' emoluments		
Emoluments	334,323	336,030
	<u>334,323</u>	<u>336,030</u>

	2013	2012
	£	£
The highest paid director received emoluments and benefits as follows:-		
Emoluments	108,996	110,966
	<u>108,996</u>	<u>110,966</u>

5 Interest payable and similar charges

	2013	2012
	£	£
Bank loans and overdrafts	28,344	51,462
Hire purchase contracts	1,599	-
	<u>29,943</u>	<u>51,462</u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

6 Tax on profit on ordinary activities

	2013 £	2012 £
Analysis of charge in the year		
Current tax:		
UK corporation tax on profits of the year	<u>108,759</u>	<u>126,180</u>
	108,759	126,180
Tax on profit on ordinary activities	<u><u>108,759</u></u>	<u><u>126,180</u></u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (24%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u><u>271,904</u></u>	<u><u>521,789</u></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012: 24%)	62,538	125,230
Effects of:		
Expenses not deductible for tax purposes	67,139	18,827
Investment income not taxable	(21,610)	(22,170)
Difference in tax rates	1,183	1,133
Marginal relief	(1,272)	-
Relief for investment losses	-	20
Capital allowances in excess of depreciation	781	3,140
Current tax charge for year as above	<u><u>108,759</u></u>	<u><u>126,180</u></u>

7 Profit attributable to members of the parent company

As permitted by section 408 of the Companies Act 2006 the parent company's profit and loss account has not been disclosed in the financial statements.

The profit before tax and dividends for the year in the financial statements of the parent company was £110,871 (2012: £323,384).

8 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2013	660,000
At 31 December 2013	<u><u>660,000</u></u>
Amortisation	
At 1 January 2013	374,000
Provided during the year	33,000
At 31 December 2013	<u><u>407,000</u></u>
Net Book Values	
At 31 December 2013	<u><u>253,000</u></u>
<i>At 31 December 2012</i>	<u><u>286,000</u></u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tangible fixed assets (continued)

The group's investment properties have been valued by C Rayner at £20,205,315, a Chartered Surveyor and the member of staff responsible for property matters, on 31 December 2013.

The directors have valued some of the properties at £449,704 as at 31 December 2013. This amount is not different to their cost.

On a historical cost basis, investment properties would have been included as follows:	2013	2012
	£	£
Group	<u>9,164,724</u>	<u>9,164,724</u>
Company	<u>4,602,018</u>	<u>4,602,018</u>

It is estimated that if the investment properties had been disposed of at 31 December 2013 at the latest valuation above, the tax liability arising across the group would be in the region of £930,000 (2012: £915,000). Currently there are no plans to sell any of the properties in the portfolio.

10 Fixed asset investments

Group	Listed and unlisted	Other	Total
	£	£	£
Cost or valuation			
At 1 January 2013	5,063,290	2,500	5,065,790
Additions	20,679	-	20,679
Revaluation	<u>2,027,965</u>	<u>-</u>	<u>2,027,965</u>
At 31 December 2013	<u>7,111,934</u>	<u>2,500</u>	<u>7,114,434</u>

Listed and unlisted investments traded on the markets are valued at market prices. Other unlisted investments are valued by the directors at cost.

Listed and unlisted investments	2013 Cost	2013 Valuation	2012 Cost	2012 Valuation
	£	£	£	£
Listed investments:				
In the United Kingdom	1,625,515	2,577,182	1,680,515	1,709,590
Traded on the Alternative Investment Market	<u>2,913,835</u>	<u>4,534,750</u>	<u>2,844,923</u>	<u>3,353,700</u>
	<u>4,539,350</u>	<u>7,111,932</u>	<u>4,525,438</u>	<u>5,063,290</u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

10 Fixed asset investments (continued)

Company	Joint ventures £	Subsidiary undertakings and associates £	Total £
Cost			
At 1 January 2013	1,174,380	690,923	1,865,303
At 31 December 2013	1,174,380	690,923	1,865,303
Provisions			
At 1 January 2013	-	100,000	100,000
Provided for during year	234,876	-	234,876
At 31 December 2013	234,876	100,000	334,876
Net book value			
At 31 December 2013	939,504	590,923	1,530,427
<i>At 31 December 2012</i>	<i>1,174,380</i>	<i>590,923</i>	<i>1,765,303</i>

11 Subsidiary undertakings and associates

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

Name of Company	Country of registration	Holding	Proportion of voting rights and shares held	Nature of business
W.T. Lamb & Sons Ltd	England	Ordinary	100%	Brick manufacture
W.T. Lamb Properties Ltd	England	Ordinary	100%	Property investment
W.T. Lamb Investments Ltd	England	Ordinary	100%	Investments
Cremer, Whiting & Co.,Ltd	England	Ordinary	100%	Dormant
Newington Bricks Ltd	England	Ordinary	100%	Dormant
Lambs Terracotta & Faience Ltd	England	Ordinary	100%	Dormant
Holborn Nominees Ltd	England	Ordinary	100%	Dormant

The share capital and reserves of the subsidiary undertakings at 31 December 2013 and the results for the year then ended were:

	Profit for the year £	Share capital & reserves £
W.T. Lamb & Sons Ltd	(42,563)	251,078
W.T. Lamb Properties Ltd	116,759	8,440,249
W.T. Lamb Investments Ltd	66,437	5,654,506
Cremer, Whiting & Co. Ltd	-	30,000
Newington Bricks Ltd	-	119,280
Lambs Terracotta & Faience Ltd	-	(326,454)
Holborn Nominees Ltd	-	68,431

Associated undertaking

The company holds 50% of the allotted share capital in Nyewood Brick Company Limited, a company registered in England and Wales. The capital and reserves of this company are not material.

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

12 Investments in joint ventures

At the balance sheet date, the group and company held a material interest in the following joint ventures:

Name of joint venture	Nature of interest	Nature of Business
Colchester	40% profit share	Property development
Brentwood	40% profit share	Property development

The group's and company's share of assets and liabilities in the Joint Ventures in aggregate are as follows:

	2013 £	2012 £
Share of assets		
Share of current assets	<u>939,504</u>	<u>1,174,380</u>

13 Stocks

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Raw materials and consumables	35,000	38,000	-	-
Work in progress	108,611	-	-	-
Finished goods for resale	703,545	605,080	-	-
Property developments	2,755,141	2,010,874	2,755,141	2,010,874
	<u>3,602,297</u>	<u>2,653,954</u>	<u>2,755,141</u>	<u>2,010,874</u>

14 Debtors

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	444,216	199,115	58,068	9,756
Amounts owed by group undertakings	-	-	1,614,018	1,687,731
Other debtors	2,150,651	1,556,049	2,109,486	1,467,400
	<u>2,594,867</u>	<u>1,755,164</u>	<u>3,781,572</u>	<u>3,164,887</u>

15 Creditors: amounts falling due within one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Bank overdraft and loan (secured)	535,996	438,189	373,048	190,810
Trade creditors	324,926	163,975	100,530	40,410
Amounts owed to group undertakings	-	-	515,184	208,104
Corporation tax payable	108,759	123,589	88,359	94,656
Other taxation and social security	109,336	143,264	109,336	143,264
Other creditors	1,653,348	869,239	271,458	143,469
	<u>2,732,365</u>	<u>1,738,256</u>	<u>1,457,915</u>	<u>820,713</u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

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FOR THE YEAR ENDED 31 DECEMBER 2013

16 Creditors: amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loan (secured)	<u>2,151,842</u>	<u>1,720,289</u>	<u>2,151,842</u>	<u>1,720,289</u>
	<u>2,151,842</u>	<u>1,720,289</u>	<u>2,151,842</u>	<u>1,720,289</u>

During the year the company entered into a new £2,400,000 loan facility with Lloyds Bank Plc, over a 15 year period with interest charged at 3.4% above the base rate.

The loan is secured against one of the company's investment properties, Lambs Business Park, South Godstone, Surrey.

17 Loans

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts repayable:				
In one year or less, or on demand	160,000	190,810	160,000	190,810
Between one and two years	160,000	190,810	160,000	190,810
Between two and five years	480,000	1,529,479	480,000	1,529,479
After five years	1,511,842	-	1,511,842	-
	<u>2,311,842</u>	<u>1,911,099</u>	<u>2,311,842</u>	<u>1,911,099</u>

18 Share Capital

	2013	2012
	£	£
Allotted Equity shares		
4,158,360 Allotted, called up and fully paid ordinary shares of 25p each	<u>1,039,590</u>	<u>1,039,590</u>

19 Reserves

Group	Other reserve	Revaluation reserve	Capital reserve	Capital redemption reserve
	£	£	£	£
At 1 January 2013	3,221,620	10,687,451	846,362	43,875
Surplus/(deficit) on revaluation	-	3,811,042	-	-
At 31 December 2013	<u>3,221,620</u>	<u>14,498,493</u>	<u>846,362</u>	<u>43,875</u>
Company		Revaluation reserve	Capital reserve	Capital redemption reserve
		£	£	£
At 1 January 2013		5,076,646	222,212	43,875
Surplus/(deficit) on revaluation		1,658,659	-	-
At 31 December 2013		<u>6,735,305</u>	<u>222,212</u>	<u>43,875</u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

20 Profit and loss account	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	11,048,606	10,819,332	8,824,258	8,763,536
Profit for the financial year	163,145	395,609	22,512	227,057
Dividends	(207,918)	(166,335)	(207,918)	(166,335)
At end of the year	<u>11,003,833</u>	<u>11,048,606</u>	<u>8,638,852</u>	<u>8,824,258</u>

21 Reconciliation of shareholders' funds	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Profit for the financial year	163,145	395,609	22,512	227,057
Dividends	(207,918)	(166,335)	(207,918)	(166,335)
Surplus/(deficit) on revaluation	<u>3,811,042</u>	<u>(1,592,242)</u>	<u>1,658,659</u>	<u>(140,900)</u>
Increase/(decrease) in shareholders' funds	3,766,269	(1,362,968)	1,473,253	(80,178)
Opening shareholders' funds	<u>26,887,504</u>	<u>28,250,472</u>	<u>15,206,581</u>	<u>15,286,759</u>
Closing shareholders' funds	<u>30,653,773</u>	<u>26,887,504</u>	<u>16,679,834</u>	<u>15,206,581</u>

22 Dividends	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Dividends for which the company became liable during the year:				
Dividends paid - equity (Note 22)	<u>207,918</u>	<u>166,335</u>	<u>207,918</u>	<u>166,335</u>

23 Other financial commitments	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Annual commitments under non-cancellable operating leases are as follows:				
Motor vehicles				
Expiring within two to five years	<u>7,645</u>	<u>7,645</u>	<u>7,645</u>	<u>7,645</u>

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

24 Gross cash flows	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	3,521	23,255
Interest paid	<u>(29,943)</u>	<u>(51,462)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(26,422)</u>	<u>(28,207)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets and investments	(40,563)	(482,859)
Proceeds from the sale of fixed assets and investments	-	27,986
Net cash outflow from investing activities	<u>(40,563)</u>	<u>(454,873)</u>
Financing		
New loans raised	2,311,843	876,985
Loan repayments	<u>(1,911,100)</u>	<u>(180,742)</u>
Increase/(decrease) in debt	<u>(239,257)</u>	<u>696,513</u>

25 Analysis of changes in net debt	2012	Cash Flows	Other changes	2013
	£	£	£	£
Cash at bank and in hand	434,633	(137,295)	-	297,338
Overdrafts	<u>(247,379)</u>	<u>(128,617)</u>	-	<u>(375,996)</u>
	187,254	(265,912)	-	(78,658)
Debt due within one year	(190,810)	190,810	(160,000)	(160,000)
Debt due after one year	<u>(1,720,289)</u>	<u>48,447</u>	<u>160,000</u>	<u>(1,511,842)</u>
	(1,911,099)	239,257	-	(1,671,842)
	<u>(1,723,845)</u>	<u>(26,655)</u>	<u>-</u>	<u>(1,750,500)</u>

26 Contingent liabilities

The company, along with its subsidiaries W.T. Lamb & Sons Limited, W.T. Lamb Investments Limited and W.T. Lamb Properties Limited have jointly entered into a guarantee in respect of a £500,000 overdraft facility, £2,400,000 loan facility and a £4,000 credit card facility.

At the balance sheet date the following amounts were outstanding, overdraft facility £375,995, loan facility £2,311,842 and credit card facility £nil.

The company has entered into an agreement with the road authorities to conduct highway works. The total potential cost of these works is £250,000, of which £150,000 has already been expended.

W.T. LAMB HOLDINGS LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

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27 Related party transactions

During the year the group sold goods and services amounting to £112,075 (2012: £71,894), recharged expenses totalling £59,806 (2012: £27,586), purchased goods amounting to £1,079,100 (2012: £691,363), levied a management charge of £50,000 (2012: £50,000), charged rent totalling £30,100 (2012: £30,100) and charged interest on the loan totalling £nil (2012: £21,420) to Sussex Sandstone Limited, a company in which R A Lamb, R H S Lamb, J R C Lamb and J R Lamb are also directors and hold a material interest in the share capital. At the year end a net amount of £784,974 (2012: £767,819) was owed by Sussex Sandstone Limited.

The group has entered into a number of Joint Ventures with Parkland Developments Limited, as set out in note 12. At the end of the year £1,174,380 (2012: £1,174,380) was owed from Parkland Developments Limited to the group. During the year £234,846 (2012: £nil) has been provided against the amount owed.

During the year Clanross Limited provided services across the group totalling £nil (2012: £49,668). C Andrews, the group company secretary has a material interest in Clanross Limited. At the year end, an amount of £nil (2012: £nil) was owing to Clanross Limited.

R H S Lamb and R A Lamb hold material interest in LMA Planning. During the year the group received services from LMA Planning Limited totalling £36,600 (2012: £nil), levied management charges to LMA Planning Limited totalling £2,250, and received a loan from LMA Planning Limited. At the balance sheet date, the amount due to LMA Planning Limited totalled £2,374 (2012: £nil).

During the year Woolshed Designs Limited provided consultancy services totalling £nil (2012: £9,690) and were recharged expenses totalling £nil. J R C Lamb, a director of the group is also a director of Woolshed Designs Limited.

At the balance sheet date, the amount due from Woolshed Design Limited totalled £16,050 (2012: £5,645).

During the year, Mrs F Hamilton Lamb, wife of R H S Lamb, provided the group with a loan. Interest of £3,206 (2012: £nil) was paid on the loan.

At the balance sheet date, the amount due to Mrs F Hamilton Lamb totalled £108,206 (2012: £nil).

At the end of the year the Group held 4,700,000 shares at £.077 per share in Futura Medical PLC (2012: 4,660,000 shares at £0.58), the Chief Executive of Futura Medical Plc. is the son-in-law of R A Lamb.

During the year the group acquired a total of 40,000 shares in Futura Medical Plc. at a cost of £20,679.

28 Pension commitments

The company makes contributions to defined contribution personal scheme for the benefit of a number employees. The pension cost charge represents contributions payable by the company to the scheme and amounted to £26,230 (2012: £25,000). There were no outstanding or prepaid pensions at the year end.