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LODORE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
5th April 1995



LODORE LIMITED

Report of the Directors for the year ended 5th April 1995

The directors submit their annual report and the audited accounts for the year ended 5th April 1995.

Profit, business review and dividend

The profit for the year before taxation amounts to £87,918 (1994 £261,310). The profit includes a surplus arising on the sale of investments which amounts to £33,154 (1994 £174,724).

The total profit for the year after taxation amounts to £71,808 (1994 £210,001).

The company continues to operate as an investment company, holding stocks and shares, commercial and agricultural property, and woodlands.

In conjunction with advice from the company's stockbrokers, the directors continue to actively manage the portfolio of quoted investments. Investment income is comparable with the previous year. Total proceeds of £329,213 were realised and £661,778 invested during the year.

The market value of investments as stated in note 8 amounts to £1,089,418.

Income from commercial property is consistent with previous years. Rented farm income, despite higher overall rents received, is lower due to increased repair expenditure. An increased deficit has been incurred on the woodlands, principally due to necessary planting and maintenance programmes.

The directors consider the overall results for the year to be satisfactory and propose maintained dividends as follows:

	1995	1994
Interim dividend	5%	5%
Final dividend - proposed	<u>25%</u>	<u>25%</u>
	30%	30%
	—	—

Fixed assets

Details of the accounting treatment and changes in the company's tangible fixed assets and investments are disclosed in notes 1, 7 and 8.

The directors consider the present value of the freehold land and property to be in excess of the amount shown in the Balance Sheet but do not consider that the expense of a professional valuation would be justified.

LODORE LIMITED

Report of the Directors
for the year ended 5th April 1995

Directors and directors' interests

The directors of the company throughout the year together with details of their interest in the share capital of the company are as follows:

	Ordinary shares of £1 each			
	Voting		Non-voting	
	1995	1994	1995	1994
W.D. Walker	3,514	3,514	4,050	4,050
H.M. Walker	3,013	3,013	3,951	3,951
W.F. Gough	-	-	-	-

Mr. W.D. Walker retires by rotation and, being eligible, offers himself for re-election.

Mr. W.D. Walker and Mr. H.M. Walker and a partner in Mitchell Charlesworth, the auditors of the company, are also interested as trustees in 4773 voting shares.

Auditors

Mitchell Charlesworth are willing to continue as auditors and a resolution will be proposed for their re-appointment at the forthcoming Annual General Meeting.

By Order of the Board


W.F. GOUGH

Secretary

30th August 1995

Statement of Directors' Responsibilities
for the year ended 5th April 1995

The directors are required under company law to prepare accounts for each financial period 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 the period then ended.

In preparing these accounts, they are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Mitchell Charlesworth

Chartered Accountants

Chavasse Court . 24 Lord Street . Liverpool L2 1TA

AUDITORS' REPORT TO THE MEMBERS OF LODORE LIMITED

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we have considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Qualified opinion arising from disagreement about accounting treatment

The company owns investment properties, which have not been stated in the accounts at their open market value, as required by Statement of Standard Accounting Practice 19.

The financial effect of the departure is not known, the explanation for which is given in note 1 to the accounts.

Except for the failure to account for the investment properties referred to above, as required by SSAP 19, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 5th April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MITCHELL CHARLESWORTH
Registered Auditor

30th August 1995

LODORE LIMITED

Profit and Loss Account
for the year ended 5th April 1995

	Notes	1995	1994
Income from investments	2	35,583	35,676
Commercial property rentals		35,386	35,010
Estate accounts:			
Rented farm property		4,785	10,177
Woodlands		(13,962)	(3,717)
Bank interest received		4,683	8,076
Other interest received		2,286	1,786
Building society interest received		2,454	1,285
Profit on disposal of milk quota		-	15,276
Profit on disposal of investments		<u>33,154</u>	<u>174,724</u>
		104,369	278,293
Staff costs	4	6,500	6,500
Other operating expenses		<u>9,951</u>	<u>16,451</u>
		<u>10,483</u>	<u>16,983</u>
Profit on ordinary activities before taxation	3	87,918	261,310
Taxation	5	<u>16,110</u>	<u>51,309</u>
Profit on ordinary activities after taxation		71,808	210,001
Dividends	6	<u>42,150</u>	<u>42,150</u>
Retained profit for year		29,658	167,851
Retained profit brought forward		<u>1,269,248</u>	<u>1,101,397</u>
Retained profit carried forward		<u>£1,298,906</u>	<u>£1,269,248</u>

All operating income and expenditure is wholly attributable to continuing operations.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

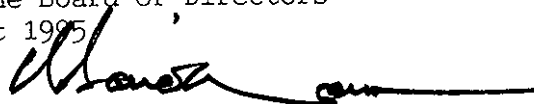
The notes on pages 7 to 10 form part of these accounts.

LODORE LIMITED

Balance Sheet
5th April 1995

	Notes	1995	1994
Fixed assets			
Tangible assets	7	610,124	603,638
Investments	8	<u>939,914</u>	<u>573,406</u>
		1,550,038	1,177,044
Current assets			
Debtors	10	24,210	16,625
Bank account		46,463	423,695
Building society account		<u>49,389</u>	<u>36,372</u>
		120,062	476,692
Creditors			
Amounts falling due within one year	11	<u>80,693</u>	<u>93,987</u>
Net current assets		<u>39,369</u>	<u>382,705</u>
		£1,589,407	£1,559,749
Capital and reserves			
Called up share capital	13	140,501	140,501
Capital reserve		150,000	150,000
Profit & loss account		<u>1,298,906</u>	<u>1,269,248</u>
Total shareholders' funds	14	<u>£1,589,407</u>	<u>£1,559,749</u>

Approved by the Board of Directors
on 30th August 1995

 W.D. WALKER
 W.F. GOUGH

)
) Directors
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The notes on pages 7 to 10 form part of these accounts.

Notes to the Accounts

1. Accounting policies

Accounts

The accounts have been prepared under the historical cost convention, as modified by the revaluation of freehold property, and, except as noted, in accordance with applicable Accounting Standards.

Statement of standard accounting practice no. 19 requires that investment property should be included in financial statements at open market value. The directors do not believe that the cost of an annual valuation can be justified and accordingly, they are included as shown in note 7 to the accounts.

Depreciation

Freehold investment property is not depreciated.

Office equipment is depreciated evenly over a four year period.

Income

Franked investment income is shown at the amounts received without the addition of the tax credits, and includes where applicable, notional dividends received in the form of additional shares.

Income from commercial property, rented farms and woodlands is shown net of directly attributable costs.

Taxation

Provision is made for advance corporation tax on proposed dividends after taking account of an estimate of franked investment income receivable up to the dividend payment date. The balance on deferred asset account represents the balance of advance corporation tax available for set off against mainstream corporation tax in the next accounting period.

Deferred taxation is only provided where the liability is expected to crystallise in the foreseeable future.

2. Investment Income

	Quoted		Unquoted	
	1995	1994	1995	1994
Franked	21,451	26,754	643	297
Foreign dividends	2,368	-	-	-
Unfranked	6,372	4,287	-	-
Property enterprise trusts	-	-	4,749	4,338
	<u>£30,191</u>	<u>£31,041</u>	<u>£5,392</u>	<u>£4,635</u>

3. Result for the year

The profit for the year on ordinary activities is stated after charging:

	1994	1993
	£	£
Directors' remuneration	6,500	6,500
Audit fee	1,725	1,650

Notes to the Accounts

4. Staff costs

The staff costs for both years are the directors' remuneration as detailed in note 3.

5. Taxation

	1995	1994
Provision for taxation at 25% (1994 25%)		
On net income	13,657	13,042
On chargeable gains	2,290	36,757
Under-provision in previous year	<u>163</u>	<u>1,510</u>
	<u>£16,110</u>	<u>£51,309</u>

6. Dividends

The dividends paid and proposed are:

		1995	1994
Interim - 30th March 1995	5%	7,025	5% 7,025
Final proposed - 22nd September 1995	25%	<u>35,125</u>	25% <u>35,125</u>
		<u>£42,150</u>	<u>£42,150</u>

7. Tangible fixed assets

	Freehold investment property	Office equipment	Total
Cost or valuation			
At 5th April 1994	603,288	699	603,987
Additions	<u>6,660</u>	<u>-</u>	<u>6,660</u>
At 5th April 1995	<u>£609,948</u>	<u>699</u>	<u>610,647</u>
Depreciation			
At 5th April 1994	-	349	349
Charge for year	<u>-</u>	<u>174</u>	<u>174</u>
At 5th April 1995	<u>-</u>	<u>523</u>	<u>523</u>
Net book values			
At 5th April 1995	<u>£609,948</u>	<u>£176</u>	<u>£610,124</u>
At 5th April 1994	<u>£603,288</u>	<u>£350</u>	<u>£603,638</u>

Notes to the Accounts

7. Tangible fixed assets [continued]

Freehold investment property is represented by:

	Commercial properties	Tenanted farms	Managed woodlands	Total
At valuation 29th September 1967	-	46,400	25,000	71,400
Subsequent additions at cost	<u>403,975</u>	<u>134,433</u>	<u>140</u>	<u>538,548</u>
	<u>£403,975</u>	<u>£180,833</u>	<u>£25,140</u>	<u>£609,948</u>

8. Investments

	Book value		Market value	
	1995	1994	1995	1994
Quoted	732,569	366,061	868,298	593,139
Unquoted	7,345	7,345	21,120	21,120
Property enterprise trusts	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
	<u>£939,914</u>	<u>£573,406</u>	<u>£1,089,418</u>	<u>£814,259</u>

The change in the book value of quoted investments is represented by acquisitions of £661,778 and disposals, expressed in terms of cost, of £295,270.

The market value of the unquoted investments is estimated by the directors.

The directors' value of the property enterprise trusts is considered to be at least equal to cost, based on the medium term nature of the investments.

9. Capital commitments

There are no commitments at the year end for capital expenditure (1994 Nil).

10. Debtors

	1995	1994
Deferred asset (note 1)	7,000	-
Other debtors	<u>17,210</u>	<u>16,625</u>
	<u>£24,210</u>	<u>£16,625</u>

11. Creditors - amounts falling due within one year

	1995	1994
Bank overdraft	6,015	-
Corporation tax	20,223	51,578
Accrued charges	19,330	7,284
Proposed dividend	<u>35,125</u>	<u>35,125</u>
	<u>£80,693</u>	<u>£93,987</u>

Notes to the Accounts

12. Deferred taxation

The taxation charge for previous years has been reduced by industrial buildings allowances granted in respect of property enterprise trust investments. If these investments were to be realised, then a balancing charge would arise on the proceeds received, to a maximum extent of the allowances previously granted. The full potential liability at 5th April 1994 and 1995, not provided for in these accounts, amounts to £48,729.

13. Share capital

The issued called up share capital of the company is made up as follows:

	1995	1994
Ordinary voting shares of £1 each fully paid	12,300	12,300
Ordinary non-voting shares of £1 each fully paid	<u>128,201</u>	<u>128,201</u>
	<u>£140,501</u>	<u>£140,501</u>

The authorised share capital is £150,000 (1994 £150,000).

14. Reconciliation of movements in shareholders' funds

	1995	1994
Profit for financial year	71,808	210,001
Dividend	(42,150)	(42,150)
Net addition to shareholders' funds	29,658	167,851
Opening shareholders' funds	<u>1,559,749</u>	<u>1,391,898</u>
Closing shareholders' funds	<u>£1,589,407</u>	<u>£1,559,749</u>