

LODORE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
5th April 2008

COMPANY REGISTRATION NUMBER: 166329

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LODORE LIMITED

Report of the Directors for the year ended 5th April 2008

The directors submit their annual report and the audited accounts for the year ended 5th April 2008

Profit, business review and dividend

The profit for the year before taxation amounts to £106,748 (2007 £302,477) The profit for the year includes a net surplus arising on the disposal of investments amounting to £24,174 In the previous year a substantial element of the investment portfolio was sold, realising a surplus of £224,931

A taxation provision of £12,974 arises on the profit for the year, after indexation allowances and prior year adjustment, and noting that dividends from UK companies are not subject to corporation tax

The company operates as an investment company, holding stocks and shares, agricultural property, and woodlands

The directors continue to actively manage the portfolio of quoted investments, with overall investment income again increased from the previous year Acquisition of investments during the year amounted to £63,156, with proceeds from disposals amounting to £84,290

The market value of investments as stated in note 7 amounts to £1,007,783 (2007 £1,096,149)

The rented farm property account generated a surplus of £21,199, with rents and expenditure both increased by similar amounts The woodlands did not generate any income, the only expenditure being in respect of estate charges and management expenses Interest received was much higher as a result of increased cash deposits held, following the realisation of investments in the previous year, as referred to above

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

	2008	2007
Interim dividend - paid	10%	10%
Final dividend - proposed	<u>35%</u>	<u>35%</u>
	45%	45%

Financial risk management objectives and policies

As an investment company, the directors utilise the resources of professional firms of investment and estate advisors The directors receive regular reports on the investment and property portfolio in order to manage the company's requirements

Fixed assets

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 a professional valuation would be justified, having regard to the long term nature of the tenancies

LODORE LIMITED

Report of the Directors for the year ended 5th April 2008

Directors

The directors of the company during the year, together with details of their interest in the share capital of the company were as follows

	Ordinary shares of £1 each			
	Voting		Non-voting	
	2008	2007	2008	2007
Mr W D Walker	3,514	3,514	4,050	4,050
Mr H M Walker	3,013	3,013	8,237	8,237
Mr W F Gough	-	-	-	-
Mr J A Pattinson	-	-	7,040	7,040

As reported in 2007, it is with the utmost regret, that the death of Mr W David Walker OBE on 12th June 2007 is recorded His shares are currently held by his Executors

Mr W D Walker (up to 12th June 2007) and Mr H M Walker are also interested as trustees in 4,773 voting shares

Mr J A Pattinson was appointed as a director on 1st January 2008 This appointment is subject to confirmation at the forthcoming Annual General Meeting

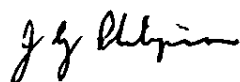
Mr J A Pattinson is also interested as a trustee in a further 13,286 non-voting shares, and as an Executor of 15,000 non-voting shares

Mr W F Gough retires by rotation and, being eligible, offers himself for re-election

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



J G PHILIPSON

Secretary

2nd September 2008

LODORE LIMITED

Statement of Directors' Responsibilities for the year ended 5th April 2008

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

In so far as the directors are aware

- ◆ there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LODORE LIMITED

We have audited the accounts of Lodore Limited for the year ended 5th April 2008 which are set out on pages 6 to 11. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LODORE LIMITED [CONTINUED]

Qualified opinion arising from disagreement about accounting treatment

The company owns investment properties which, as stated in note 6 to the accounts are included at cost or September 1967 valuation. In our opinion these properties should be stated at their open market value as required by Statement of Standard Accounting Practice 19.

The potential increase in the value at which the investment properties are stated is not known.

In our opinion, the subject matter of the foregoing qualification is not material for determining whether the interim and proposed final distributions of £14,050 and £49,175 respectively, are permitted under Section 263 of the Companies Act 1985.

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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 5th April 2008 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts for the year ended 5th April 2008.



MITCHELL CHARLESWORTH
Registered Auditor

2nd September 2008

LODORE LIMITED

Profit and Loss Account for the year ended 5th April 2008

	Notes	2008	2007
Income from investments	2	42,033	56,209
Estate accounts			
Rented farm property		21,199	21,509
Woodlands		(1,533)	(369)
Bank interest received		49,636	18,898
Surplus on disposal of investments		24,174	224,931
Surplus on disposal of tangible fixed assets		<u> -</u>	<u> 6,000</u>
		135,509	327,178
Directors' remuneration	3	12,000	14,000
Other operating expenses		<u>16,761</u>	<u>10,701</u>
		<u>28,761</u>	<u>24,701</u>
Profit on ordinary activities before taxation	3	106,748	302,477
Taxation	4	<u>12,974</u>	<u>13,284</u>
Profit on ordinary activities after taxation	13	<u>£93,774</u>	<u>£289,193</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 results above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 8 to 11 form part of these accounts

Balance Sheet

5th April 2008

Approved by the Board of Directors
on 2nd September 2008

receptors



W.E.G.B.

H M WALKER)
) Directors
W F GOUGH)

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LODORE LIMITED

Notes to the Accounts

1. Accounting policies

Accounts

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

Statement of Standard Accounting Practice 19 requires that investment property should be included in accounts at open market value. The directors do not believe that an annual valuation is justified, having regard to the long term nature of the tenancies. They are therefore included as shown in note 6 to the accounts

Depreciation

Freehold investment property is not depreciated

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that as these properties are not held for consumption, but for their rental return, to depreciate them would not give a true and fair view

Income

Investment income is shown at the net amounts received by the company. Income from rented farms and woodlands is shown net of directly attributable costs

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Dividends

Dividends to the holders of equity instruments declared after the balance sheet date, are not recognised as a liability of the company at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the accounts, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the accounts

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more or a right to pay less tax

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account

Grants

Revenue grants are recognised in the period to which they relate

LODORE LIMITED

Notes to the Accounts

2. Investment income	Quoted		Unquoted	
	2008	2007	2008	2007
Equities	38,060	51,119	-	-
Property Enterprise Trusts	-	-	3,973	5,090
	<u>£38,060</u>	<u>£51,119</u>	<u>£3,973</u>	<u>£5,090</u>
3 Results for the year				
The profit for the year on ordinary activities is stated after charging			2008	2007
			£	£
Directors' remuneration			12,000	14,000
Audit fee			2,550	2,400
Other than the directors there were no staff employed				
4 Taxation				
a. Analysis of charge for the year			2008	2007
Current tax			13,000	28,284
U.K. corporation tax on profits for the year			(26)	(15,000)
Over provision for prior year				
			<u>£12,974</u>	<u>£13,284</u>
b. Factors affecting tax charge for the year				
Tax arising on the profit on ordinary activities at the standard rate of corporation tax of 20% (2007 19%)			21,350	57,471
Income not taxable (quoted investments woodlands and indexation allowances)			(8,350)	(20,738)
Utilisation of tax losses			-	(8,449)
Over provision for prior year			(26)	(15,000)
			<u>£12,974</u>	<u>£13,284</u>
5 Dividends				
Dividends paid			2008	2007
Final 2007- 28th September 2007 - 35% (2007 35%)			49,175	49,175
Interim 2008 - 31st March 2008 - 10% (2007 10%)			<u>14,050</u>	<u>14,050</u>
			<u>£63,225</u>	<u>£63,225</u>
Dividend proposed				
Final 2008 - 26th September 2008 - 35% (2007 35%)			<u>£49,175</u>	<u>£49,175</u>

LODORE LIMITED

Notes to the Accounts

6. Tangible fixed assets

	Freehold Investment Property		
At 5th April 2007			266,075
Additions			-
Disposals			-
At 5th April 2008			<u>£266,075</u>
Represented by			
	Tenanted farms	Managed woodlands	Total
At valuation - 29th September 1967	34,075	25,000	59,075
Subsequent additions - at cost	<u>206,860</u>	<u>140</u>	<u>207,000</u>
	<u>£240,935</u>	<u>£ 25,140</u>	<u>£266,075</u>

7. Investments

	Book value		Market value	
	2008	2007	2008	2007
Quoted	668,939	669,899	943,428	1,022,149
Unquoted	28,000	24,000	14,355	24,000
Property Enterprise Trusts	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
	<u>£746,939</u>	<u>£743,899</u>	<u>£1,007,783</u>	<u>£1,096,149</u>

The change in the book value of quoted investments is represented by acquisitions of £63,156 and disposals, expressed in terms of cost, of £60,116

The value of the unquoted investment has been provided by Tilney Private Wealth Management

The investment and valuation of Property Enterprise Trusts is stated at the directors' valuation, using their best estimate, based on information currently available from the Trust Managers

8. Capital commitments

There are no commitments at the year end for capital expenditure (2007 £Nil)

9. Debtors

	2008	2007
Funds held by property managers	18,515	8,554
Other debtors	14,282	10,557
Other taxes	<u>-</u>	<u>1,056</u>
	<u>£32,797</u>	<u>£20,167</u>

LODORE LIMITED

Notes to the Accounts

10 Creditors - amounts falling due within one year

	2008	2007
Corporation tax	13,000	28,284
Accrued charges	9,506	8,046
Other taxes	<u>54</u>	<u>-</u>
	<u>£22,560</u>	<u>£36,330</u>

11 Deferred taxation

No balancing charge can arise on the disposal of assets on which Agricultural Building Allowance have been claimed and so no deferred tax liability arises. In addition, no balancing charge can arise on Industrial Building Allowances received in respect of the Property Enterprise Trust

12. Share capital

	2008	2007
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 (2007 £150,000)

13. Profit and loss account

	2008	2007
At 5th April 2007	1,662,716	1,436,748
Profit for the year	93,774	289,193
Equity dividends paid	<u>(63,225)</u>	<u>(63,225)</u>
At 5th April 2008	<u>£1,693,265</u>	<u>£1,662,716</u>

14. Reconciliation of movements in shareholders' funds

	2008	2007
Profit for the financial year	93,774	289,193
Equity dividends paid	<u>63,225</u>	<u>63,225</u>
Net addition to shareholders' funds	30,549	225,968
Opening shareholders' funds	<u>1,953,217</u>	<u>1,727,249</u>
Closing shareholders' funds	<u>£1,983,766</u>	<u>£1,953,217</u>