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**LODORE LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
for the year ended  
**5th April 2010**

**COMPANY REGISTRATION NUMBER: 166329**



## **LODORE LIMITED**

### **Report of the Directors for the year ended 5th April 2010**

The directors submit their annual report and the audited accounts for the year ended 5th April 2010

#### **Profit, business review and dividend**

The profit for the year before taxation amounts to £67,212 (2009 £83,242) The profit for the year includes a net surplus arising on the disposal of investments amounting to £17,181

A taxation provision of £7,742 arises on the profit for the year, after indexation allowances and prior year underprovision, 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 consistent with the previous year While, with lower interest rates, Bank interest has fallen, income from Government Stocks has increased following the purchases made in 2008/09

The market value of investments as stated in note 7 amounts to £1,721,811 (2009 £1,380,790), with the portfolio benefiting from the recovery of investment values, particularly equities

The rented farm property account generated a surplus of £23,348, a small reduction from the surplus in 2009 of £24,485 The woodlands did not generate any income, the only expenditure being in respect of management expenses

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

|                           | <b>2010</b>   | <b>2009</b>   |
|---------------------------|---------------|---------------|
| Interim dividend - paid   | 10%           | 10%           |
| Final dividend - proposed | <u>35%</u>    | <u>35%</u>    |
|                           | 45%           | 45%           |
|                           | <u>      </u> | <u>      </u> |

#### **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

#### **Tangible Assets - Investment Property**

The freehold investment property has been revalued by the directors at 5 April 2010 The effect of the valuation has been reflected in notes 6 and 13 to the accounts

## **LODORE LIMITED**

### **Report of the Directors for the year ended 5th April 2010**

#### **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 |       |
|                  | 2010                       | 2009  | 2010       | 2009  |
| Mr H M Walker    | 3,013                      | 3,013 | 8,237      | 8,237 |
| Mr W F Gough     | -                          | -     | -          | -     |
| Mr J A Pattinson | -                          | -     | 10,040     | 7,040 |

Mr H M Walker is also interested as a trustee in 4,773 voting shares

Mr J A Pattinson retires by rotation and, being eligible, offers himself for re-election

#### **Auditors**

Mitchell Charlesworth are deemed to be re-appointed under section 487(2) of the Companies Act 2006

By Order of the Board



W F GOUGH  
Secretary

Approved by the Board of Directors on  
1st September 2010

## **LODORE LIMITED**

### **Statement of Directors' Responsibilities for the year ended 5th April 2010**

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 2010 on pages 6 to 13. 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the accounts

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 directors, and the overall presentation of the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the circumstances set out in note 16 to the accounts.

### Opinion on accounts

In our opinion the accounts

give a true and fair view of the state of the company's affairs as at 5th April 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.

# Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool L2 5RH

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

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the accounts are prepared is consistent with the accounts

### 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 accounts 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



MR C H PLUMMER  
(Senior Statutory Auditor)  
For and on behalf of  
MITCHELL CHARLESWORTH  
Chartered Accountants  
Statutory Auditors

1st September 2010

## LODORE LIMITED

### Profit and Loss Account for the year ended 5th April 2010

|                                                          | Notes | 2010           | 2009           |
|----------------------------------------------------------|-------|----------------|----------------|
| Income from investments                                  | 2     | 57,542         | 54,895         |
| Estate accounts                                          |       |                |                |
| Rented farm property                                     |       | 23,348         | 24,485         |
| Woodlands                                                |       | ( 250)         | (340)          |
| Bank interest received                                   |       | 3,953          | 31,810         |
| Surplus on disposal of investments                       |       | <u>17,181</u>  | <u>7,891</u>   |
|                                                          |       | 101,774        | 118,741        |
| Directors' remuneration                                  | 3     | 15,500         | 15,500         |
| Other operating expenses                                 |       | <u>19,062</u>  | <u>19,999</u>  |
|                                                          |       | <u>34,562</u>  | <u>35,499</u>  |
| <b>Profit on ordinary activities<br/>before taxation</b> | 3     | 67,212         | 83,242         |
| Taxation                                                 | 4     | <u>7,742</u>   | <u>6,368</u>   |
| <b>Profit on ordinary activities<br/>after taxation</b>  | 14    | <u>£59,470</u> | <u>£76,874</u> |

All operating income and expenditure is wholly attributable to continuing operations

The notes on pages 9 to 13 form part of these accounts

## **LODORE LIMITED**

### **Statement of Total Recognised Gains and Losses For the year ended 5th April 2010**

|                                                                  | <b>2010</b>       | <b>2009</b>    |
|------------------------------------------------------------------|-------------------|----------------|
|                                                                  | <b>£</b>          | <b>£</b>       |
| Profit for the financial year attributable to the shareholders   | 59,470            | 76,874         |
| Unrealised profit on revaluation of freehold investment property | <u>2,953,925</u>  | <u>-</u>       |
| Total gains and losses recognised since the last annual report   | <u>£3,013,395</u> | <u>£76,874</u> |

## Balance Sheet

### 5th April 2010

|                                     | Notes | 2010              | 2009              |
|-------------------------------------|-------|-------------------|-------------------|
| <b>Fixed assets</b>                 |       |                   |                   |
| Tangible assets                     | 6     | 3,220,000         | 266,075           |
| Investments                         | 7     | <u>1,519,590</u>  | <u>1,467,790</u>  |
|                                     |       | 4,739,590         | 1,733,865         |
| <b>Current assets</b>               |       |                   |                   |
| Debtors                             | 9     | 53,990            | 32,449            |
| Bank accounts                       |       | <u>170,929</u>    | <u>245,799</u>    |
|                                     |       | 224,919           | 278,248           |
| <b>Creditors</b>                    |       |                   |                   |
| Amounts falling due within one year | 10    | <u>16,924</u>     | <u>14,698</u>     |
| <b>Net current assets</b>           |       | <u>207,995</u>    | <u>263,550</u>    |
| <b>Total shareholders' funds</b>    |       | <u>£4,947,585</u> | <u>£1,997,415</u> |
| <b>Capital and reserves</b>         |       |                   |                   |
| Called up share capital             | 12    | 140,501           | 140,501           |
| Capital reserve                     |       | 150,000           | 150,000           |
| Profit and loss account             | 14    | 1,703,159         | 1,706,914         |
| Revaluation reserve                 | 13    | <u>2,953,925</u>  | <u>-</u>          |
| <b>Total shareholders' funds</b>    | 15    | <u>£4,947,585</u> | <u>£1,997,415</u> |

These accounts were approved and signed on behalf of the Board of Directors and authorised for issue on 1st September 2010

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H M WALKER )  
W F GOUGH ) Directors

Company Registration Number 166329

# **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. Investment properties are included at open market value as determined by the directors and shown in note 6 to the accounts

#### **Depreciation**

Freehold investment property is not depreciated

The Companies Act 2006 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 from Equity investments is shown at the net amounts received by the company. Interest received from Government Stocks is grossed up and includes the tax deducted at source. 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       |                |
|------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                                                            | 2010           | 2009           | 2010           | 2009           |
| Equities                                                                                                   | 31,624         | 44,027         | -              | -              |
| UK REITS                                                                                                   | 1,085          | -              | -              | -              |
| Government Stocks – Interest                                                                               | 21,150         | 6,895          | -              | -              |
| Property Enterprise Trusts                                                                                 | -              | -              | 3,683          | 3,973          |
|                                                                                                            | <u>£53,859</u> | <u>£50,922</u> | <u>£3,683</u>  | <u>£3,973</u>  |
|                                                                                                            |                |                |                |                |
| 3. Results for the year                                                                                    |                |                |                |                |
| The profit for the year on ordinary activities is stated after charging                                    |                |                | 2010           | 2009           |
|                                                                                                            |                |                | £              | £              |
| Directors' remuneration                                                                                    |                |                | 15,500         | 15,500         |
| Audit fee                                                                                                  |                |                | 2,750          | 2,675          |
| Other than the directors, there were no staff employed                                                     |                |                |                |                |
|                                                                                                            |                |                |                |                |
| 4. Taxation                                                                                                |                |                |                |                |
| a. Analysis of charge for the year                                                                         |                |                |                |                |
| Current tax                                                                                                |                |                |                |                |
| U K corporation tax on profits for the year                                                                |                |                | 6,889          | 6,778          |
| Under/(over) provision for prior year                                                                      |                |                | <u>853</u>     | <u>( 410)</u>  |
|                                                                                                            |                |                | <u>£7,742</u>  | <u>£6,368</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 21% (2009 21%) |                |                | 14,115         | 17,481         |
| Income not taxable (quoted investments, woodlands and indexation allowances)                               |                |                | ( 7,226)       | (10,703)       |
| Under/(over) provision for prior year                                                                      |                |                | <u>853</u>     | <u>( 410)</u>  |
|                                                                                                            |                |                | <u>£7,742</u>  | <u>£6,368</u>  |
|                                                                                                            |                |                |                |                |
| 5. Dividends                                                                                               |                |                |                |                |
| Dividends paid                                                                                             |                |                | 2010           | 2009           |
| Final 2009 - 25th September 2009 - 35% (2009 35%)                                                          |                |                | 49,175         | 49,175         |
| Interim 2010 - 31st March 2010 - 10% (2009 10%)                                                            |                |                | <u>14,050</u>  | <u>14,050</u>  |
|                                                                                                            |                |                | <u>£63,225</u> | <u>£63,225</u> |
|                                                                                                            |                |                |                |                |
| Dividend proposed                                                                                          |                |                |                |                |
| Final 2010 - 24th September 2010 35% (2009 35%)                                                            |                |                | <u>£49,175</u> | <u>£49,175</u> |

# LODORE LIMITED

## Notes to the Accounts

### 6. Tangible fixed assets

|                                     |                   |                      | Freehold<br>Investment<br>Property |
|-------------------------------------|-------------------|----------------------|------------------------------------|
| At 5th April 2009                   |                   |                      | 266,075                            |
| Surplus on revaluation              |                   |                      | <u>2,953,925</u>                   |
| At 5th April 2010                   |                   |                      | <u>£3,220,000</u>                  |
| Represented by                      |                   |                      |                                    |
|                                     | Tenanted<br>farms | Managed<br>woodlands | Total                              |
| At valuation - 29th September 1967  | 34,075            | 25,000               | 59,075                             |
| Subsequent additions - at cost      | 206,860           | 140                  | 207,000                            |
| Revaluation surplus at 5 April 2010 | <u>2,939,065</u>  | <u>14,860</u>        | <u>2,953,925</u>                   |
| At valuation - 5th April 2010       | <u>£3,180,000</u> | <u>£40,000</u>       | <u>£3,220,000</u>                  |

The directors have valued the freehold investment property owned by the company as at 5 April 2010. The valuation is based on informal advice received from the company's property advisors, taking into account the nature of the tenancies which afford protection under the Agricultural Holdings Act 1986.

### 7. Investments

|                            | Book value        |                   | Market value      |                   |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
|                            | 2010              | 2009              | 2010              | 2009              |
| Quoted                     | 965,425           | 694,325           | 1,168,693         | 623,334           |
| Government stocks          | 472,473           | 695,465           | 494,887           | 703,341           |
| Unquoted                   | 31,692            | 28,000            | 8,231             | 4,115             |
| Property Enterprise Trusts | <u>50,000</u>     | <u>50,000</u>     | <u>50,000</u>     | <u>50,000</u>     |
|                            | <u>£1,519,590</u> | <u>£1,467,790</u> | <u>£1,721,811</u> | <u>£1,380,790</u> |

The change in the book value of quoted investments and government stocks is represented by acquisitions of £351,863 and disposals, expressed in terms of cost, of £300,063.

The value of the unquoted investment has been provided by Deutsche Bank 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 (2009 £Nil).

# LODORE LIMITED

## Notes to the Accounts

### 9. Debtors

|                                 | 2010           | 2009           |
|---------------------------------|----------------|----------------|
| Funds held by property managers | 46,048         | 14,808         |
| Other debtors                   | <u>7,942</u>   | <u>17,641</u>  |
|                                 | <u>£53,990</u> | <u>£32,449</u> |

### 10. Creditors - amounts falling due within one year

|                 | 2010          | 2009           |
|-----------------|---------------|----------------|
| Corporation tax | 2,504         | 4,758          |
| Accrued charges | 13,017        | 9,443          |
| Other taxes     | <u>1,403</u>  | <u>497</u>     |
|                 | <u>16,924</u> | <u>£14,698</u> |

### 11. Deferred taxation

A balancing charge cannot arise on the disposal of assets on which Agricultural Building Allowances have been claimed. In addition, a balancing charge cannot arise in respect of Industrial Building Allowances received in respect of the Property Enterprise Trust.

No provision has been made in these accounts for any tax that may become payable on capital gains if the investment properties were sold in the future at the valuation stated. The potential deferred tax arising if the investment property was sold at the current valuation is £116,000.

A deferred tax provision is therefore not required.

### 12. Share capital

|                                                  | 2010            | 2009            |
|--------------------------------------------------|-----------------|-----------------|
| 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 (2009 £150,000)

### 13. Revaluation reserve

|                                 | 2010              | 2009       |
|---------------------------------|-------------------|------------|
| Revaluation surplus in the year | <u>£2,953,925</u> | <u>£ -</u> |

### 14. Profit and loss account

|                       | 2010              | 2009              |
|-----------------------|-------------------|-------------------|
| At 5th April 2009     | 1,706,914         | 1,693,265         |
| Profit for the year   | 59,470            | 76,874            |
| Equity dividends paid | <u>( 63,225)</u>  | <u>( 63,225)</u>  |
| At 5th April 2010     | <u>£1,703,159</u> | <u>£1,706,914</u> |

## **LODORE LIMITED**

### **Notes to the Accounts**

#### **15. Reconciliation of movements in shareholders' funds**

|                                       | <b>2010</b>       | <b>2009</b>       |
|---------------------------------------|-------------------|-------------------|
| Profit for the financial year         | 59,470            | 76,874            |
| Other net recognised gains and losses | 2,953,925         | -                 |
| Equity dividends paid                 | ( 63,225)         | ( 63,225)         |
| Net addition to shareholders' funds   | 2,950,170         | 13,649            |
| Opening shareholders' funds           | <u>1,997,415</u>  | <u>1,983,766</u>  |
| Closing shareholders funds            | <u>£4,947,585</u> | <u>£1,997,415</u> |

#### **16 APB Ethical Standards**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities, assist with the preparation of the accounts and to provide tax advice