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LODORE LIMITED
DIRECTORS' REPORT AND ACCOUNTS
for the year ended
5th April 2012

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Company Registration Number 166329

LODORE LIMITED

Accounts

Year ended 5th April 2012

Contents	Page
The directors' report	1
Statement of directors' responsibilities	3
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the accounts	8

LODORE LIMITED

The Directors' Report

Year ended 5th April 2012

The directors present their report and the accounts of the company for the year ended 5th April 2012

Principal activities and business review

The principal activity of the company during the year was that of an investment company, holding stocks and shares, agricultural property, and woodlands

The profit for the year before taxation amounts to £141,731 (2011 £23,389) The profit for the year is arrived at after deducting a net loss arising on the disposal of investments amounting to £26,999, and adding the surplus of £127,717 on disposal of an investment property and the granting of an easement

A taxation provision of £28,662 arises on the profit for the year Dividends from UK companies are not subject to corporation tax

The directors continue to actively manage the portfolio of investments in conjunction with advice received from the company's investment advisors Investment income is increased from the previous year both on Equities and on Unit Trusts Income from Government Stocks is lower as the investment in this sector has ceased during the year

The market value of investments as stated in note 9 amounts to £2,053,208 (2011 £1,635,060)

The rented farm property account generated a surplus of £14,181, compared to the surplus in 2011 of £25,214 Repairs and maintenance to rented property of £18,280 (2011 £9,624) accounted for most of this reduction The woodlands incurred net expenses, of £2,131 (2011 £1,391 income) with some sales arising in the year, but necessary planting expenditure leading to a deficit this year

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

	2012	2011
	£	£
Interim dividend - paid 10%	14,050	14,050
Final dividend - proposed 35%	49,175	49,175
	<u>63,225</u>	<u>63,225</u>

Results and dividends

The profit for the year, after taxation, amounted to £113,069 Particulars of dividends paid are detailed in note 7 to the accounts

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

LODORE LIMITED

The Directors' Report *(continued)*

Year ended 5th April 2012

Tangible assets - investment property

The investment property was revalued by the directors at 5 April 2010 with the unrealised surplus credited to revaluation reserve. The directors do not consider that there is a material change in the valuation, which is therefore maintained at the same amount in the accounts as at 5 April 2012 after taking account of the disposal in the year.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 5 April 2012	At 6 April 2011 or later date of appointment
Mr H M Walker	Voting	13	13
	Non-voting	37	37
Mr W F Gough		-	-
Mr J A Pattinson	Non-Voting	10,040	10,040
R M Walker	Voting	3,758	3,758
	Non-voting	8,266	8,266
S G Walker	Voting	3,757	3,757
	Non-voting	<u>8,268</u>	<u>8,268</u>

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

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

Auditor

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

Signed by order of the directors



W F Gough
Company Secretary

Approved by the directors on 5th September 2012

LODORE LIMITED

Statement of Directors' Responsibilities

Year ended 5th April 2012

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 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.

Mitchell Charlesworth

Chartered Accountants
5 Temple Square Temple Street Liverpool

LODORE LIMITED

Independent Auditor's Report to the Shareholders of Lodore Limited

Year ended 5th April 2012

We have audited the accounts of Lodore Limited for the year ended 5th April 2012 on pages 6 to 15. 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 and express an opinion on 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, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out below.

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 17 to the accounts.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Mitchell Charlesworth

Chartered Accountants
5 Temple Square Temple Street Liverpool

LODORE LIMITED

Independent Auditor's Report to the Shareholders of Lodore Limited *(continued)*

Year ended 5th April 2012

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 2012 and of its profit for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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

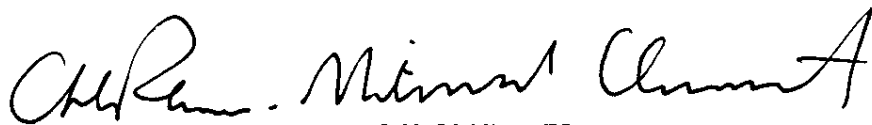
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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 Auditor

5th September 2012

LODORE LIMITED

Profit and Loss Account

Year ended 5th April 2012

	Note	2012 £	2011 £
Income	2	81,205	94,074
Administrative expenses		41,212	32,281
Operating profit	3	39,993	61,793
Profit/(loss) on sale of investments		100,718	(39,099)
		140,711	22,694
Interest receivable and similar income		1,020	695
Profit on ordinary activities before taxation		141,731	23,389
Tax on profit on ordinary activities	6	28,662	2,884
Profit for the financial year		113,069	20,505

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 15 form part of these accounts.

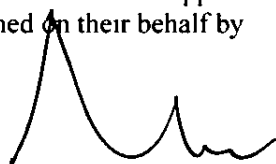
LODORE LIMITED

Balance Sheet

5th April 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	8	3,045,000	3,220,000
Investments	9	<u>1,703,142</u>	<u>1,328,558</u>
		4,748,142	4,548,558
Current assets			
Debtors	10	29,224	36,547
Cash at bank		<u>222,063</u>	<u>332,301</u>
		251,287	368,848
Creditors: Amounts falling due within one year	11	<u>44,720</u>	<u>12,541</u>
Net current assets		206,567	356,307
Total assets less current liabilities		<u>4,954,709</u>	<u>4,904,865</u>
Capital and reserves			
Called-up equity share capital	14	140,501	140,501
Revaluation reserve	15	2,778,925	2,953,925
Other reserves	16	150,000	150,000
Profit and loss account	17	<u>1,885,283</u>	<u>1,660,439</u>
Shareholders' funds	18	<u>4,954,709</u>	<u>4,904,865</u>

These accounts were approved by the directors and authorised for issue on 5th September 2012, and are signed on their behalf by



Mr H M Walker

Company Registration Number 166329

The notes on pages 8 to 15 form part of these accounts.

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that the company is small

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 any tax deducted at source. Income from rented farms and woodlands is shown net of directly attributable costs

Fixed assets

Freehold Investment Properties are recorded at valuation

Depreciation

Freehold Investment Properties are not depreciated

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

1. Accounting policies *(continued)*

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

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

Grants

Revenue grants are recognised in the period to which they relate

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

2. Income

Investment income

	2012	2011
	£	£
Equities	46,125	37,120
UK Unit Trusts - interest	16,421	12,856
UK REITS	813	597
Government Stocks - interest	5,796	15,448
Property Enterprise Trusts	-	1,448
	<u>69,155</u>	<u>67,469</u>

Estate accounts

	2012	2011
	£	£
Rented farm property	14,181	25,214
Woodlands	(2,131)	1,391
	<u>12,050</u>	<u>26,605</u>

Total income

	2012	2011
	£	£
Investment income		
Quoted	69,155	66,021
Unquoted	-	1,448
	<u>69,155</u>	<u>67,469</u>
Estate accounts	<u>12,050</u>	<u>26,605</u>
	<u>81,205</u>	<u>94,074</u>

3. Operating profit

Operating profit is stated after charging

	2012	2011
	£	£
Auditor's remuneration		
- as auditor	<u>2,800</u>	<u>2,800</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

4. Particulars of employees

The average number of staff, being the directors, employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of management staff	<u>5</u>	<u>3</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	17,000	15,500
Social security costs	—	—
	<u>17,000</u>	<u>15,500</u>

Other than the directors, there were no staff employed

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	<u>17,000</u>	<u>15,500</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
UK Corporation tax based on the results for the year at 20% (2011 - 21%)	28,662	2,884
Total current tax	<u>28,662</u>	<u>2,884</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 21%)

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>141,731</u>	<u>23,389</u>
Profit on ordinary activities by rate of tax	28,346	4,912
Net income not taxable (quoted investments, woodlands and indexation allowances)	316	(2,028)
Total current tax (note 6(a))	<u>28,662</u>	<u>2,884</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

7. Dividends

Equity dividends

	2012 £	2011 £
Paid		
Equity dividends	<u>63,225</u>	<u>63,225</u>
Proposed after the year end (not recognised as a liability)		
Equity dividends	<u>49,175</u>	<u>49,175</u>

A final dividend for the year ended 5 April 2011 at the rate of 35% was paid on 24th September 2011

An interim dividend for the year ended 5 April 2012 at the rate of 10% was paid on 30th March 2012

A final dividend for the year ended 5th April 2012 at the rate of 35% has been proposed for payment on 29th September 2012

8. Tangible fixed assets

	Freehold Investment Property £
Cost or valuation	
At 6th April 2011	3,220,000
Disposals	<u>(175,000)</u>
At 5th April 2012	<u>3,045,000</u>
Net book value	
At 5th April 2012	<u>3,045,000</u>
At 5th April 2011	<u>3,220,000</u>

Represented by:

	Tenanted farms £	Managed woodlands £	Total £
At valuation - 5th April 2012	<u>3,005,000</u>	<u>40,000</u>	<u>3,045,000</u>

The directors revalued the freehold investment property owned by the company at 5 April 2010. The valuation was 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. The directors do not consider that there is a material change in the valuation, which is maintained at the same amount in the accounts as at 5 April 2012, after taking account of the disposal in the year.

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

9. Investments

Fixed asset investments

	£
Cost	
At 6th April 2011	1,328,558
Additions	834,424
Disposals	(459,840)
At 5th April 2012	<u>1,703,142</u>
Net book value	
At 5th April 2012	<u>1,703,142</u>
At 5th April 2011	<u>1,328,558</u>

	Book value 2012 £	Book value 2011 £	Market value 2012 £	Market value 2011 £
Quoted	1,653,142	1,055,565	2,003,208	1,327,496
Government Stocks	—	222,993	—	257,564
Property Enterprise Trusts	50,000	50,000	50,000	50,000
	<u>1,703,142</u>	<u>1,328,558</u>	<u>2,053,208</u>	<u>1,635,060</u>

The change in the book value of quoted investments and government stocks is represented by acquisitions of £834,424 (2011 £103,545) and disposals, expressed in terms of cost, of £459,840 (2011 £294,577)

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

10. Debtors

	2012 £	2011 £
Corporation tax repayable	—	2,897
Funds held by property managers	12,327	25,470
Other taxes	5,586	1,182
Other debtors	5,566	3,118
Prepayments and accrued income	5,745	3,880
	<u>29,224</u>	<u>36,547</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

11. Creditors: Amounts falling due within one year

	2012	2011
	£	£
Accrued charges	17,851	11,789
Other taxes	—	752
Corporation tax	24,069	—
Other creditors	2,800	—
	<u>44,720</u>	<u>12,541</u>

12. Deferred taxation

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 £350,000.

13. Related party transactions

There is no ultimate controlling party of the shares in the company.

There are no matters to report in respect of transactions carried out by the company on behalf of its directors.

The company provides insurance for its directors in respect of their duties as officers of the company.

14. Share capital

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
12,300 Ordinary voting shares of £1 each	12,300	12,300	12,300	12,300
128,201 Ordinary non-voting shares of £1 each	128,201	128,201	128,201	128,201
	<u>140,501</u>	<u>140,501</u>	<u>140,501</u>	<u>140,501</u>

The authorised share capital is £150,000 (2011 £150,000).

15. Revaluation reserve

	2012	2011
	£	£
Balance brought forward	2,953,925	2,953,925
Transfer to the Profit and Loss Account on realisation	(175,000)	—
Balance carried forward	<u>2,778,925</u>	<u>2,953,925</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2012

16. Other reserves

	2012	2011
	£	£
Capital reserve	<u>150,000</u>	<u>150,000</u>

17. Profit and loss account

	2012	2011
	£	£
Balance brought forward	1,660,439	1,703,159
Retained profit for the financial year	113,069	20,505
Equity dividends	(63,225)	(63,225)
Transfer from revaluation reserve	175,000	—
Balance carried forward	<u>1,885,283</u>	<u>1,660,439</u>

18. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	113,069	20,505
Equity dividends	(63,225)	(63,225)
Net addition/(reduction) to shareholders' funds	49,844	(42,720)
Opening shareholders' funds	<u>4,904,865</u>	<u>4,947,585</u>
Closing shareholders' funds	<u>4,954,709</u>	<u>4,904,865</u>

19. 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