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LODORE LIMITED
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
for the year ended
5th April 2013

Company Registration Number 0166329



LODORE LIMITED

Accounts

Year ended 5th April 2013

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LODORE LIMITED

The Directors' Report

Year ended 5th April 2013

The directors present their report and the unaudited accounts of the company for the year ended 5th April 2013

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 £62,025 (2012 £141,731) The profit for the year is arrived at after crediting the receipt of consideration relating to the lifting of a covenant

There is no taxation provision on the profit for the year as it is represented by exempt investment income and capital gains, which are mitigated by relief for increased base cost and indexation An overprovision of £3,362 in respect of the previous year has been credited in the profit and loss account

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

The market value of investments as stated in note 8 amounts to £2,287,465 (2012 £2,053,208)

The rented farm property account incurred a loss of £18,979, compared to the surplus in 2012 of £14,181 Repairs and maintenance to rented property of £45,313 (2012 £18,280) accounted for most of this loss The woodlands incurred net expenses of £2,088 (2012 £2,131), there being no sales during the year

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

	2013 £	2012 £
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 £65,387 Particulars of dividends paid are detailed in note 6 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

Tangible assets - investment property

The investment property was revalued by the directors at 5th 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 5th April 2013 after taking account additions at cost, and the disposal in the year

LODORE LIMITED

The Directors' Report *(continued)*

Year ended 5th April 2013

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

		At 5th April 2013	At 6th April 2012
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	3,757	3,757
	Non-voting	8,267	8,267
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 J A Pattinson retires by rotation and, being eligible, offers himself for re-election

Signed by order of the directors



W F Gough
Company Secretary

Approved by the directors on 2nd September 2013

Mitchell Charlesworth

Chartered Accountants
5 Temple Square Temple Street Liverpool

LODORE LIMITED

Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Lodore Limited

Year ended 5th April 2013

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Lodore Limited for the year ended 5th April 2013 as set out on pages 4 to 13 from the company's accounting records and from information and explanations you have given us

As a practising member firm of The Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/membershandbook

This report is made solely to the Board of Directors of Lodore Limited, as a body, in accordance with the terms of our engagement letter dated 5th June 2013. Our work has been undertaken solely to prepare for your approval the accounts of Lodore Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with the requirements of AAF 2/10 as detailed at www.icaew.com/compilation

To the fullest extent possible permitted by law, we do not accept or assume responsibility to anyone other than Lodore Limited and its Board of Directors as a body for our work or for this report

It is your duty to ensure that Lodore Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit or loss of Lodore Limited. You consider that Lodore Limited is exempt from the statutory audit requirement for the year

We have not been instructed to carry out an audit or a review of the accounts of Lodore Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts



MITCHELL CHARLESWORTH
Chartered Accountants

5 Temple Square
Temple Street
Liverpool
L2 5RH

2nd September 2013

LODORE LIMITED

Profit and Loss Account

Year ended 5th April 2013

	Note	2013 £	2012 £
Income	2	64,619	81,205
Administrative expenses		48,718	41,212
Operating profit		15,901	39,993
Profit/(loss) on sale of investments		44,000	100,718
		59,901	140,711
Interest receivable and similar income		2,124	1,020
Profit on ordinary activities before taxation		62,025	141,731
Tax on profit on ordinary activities	5	(3,362)	28,662
Profit for the financial year		65,387	113,069

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 6 to 13 form part of these accounts

LODORE LIMITED

Balance Sheet

5th April 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	7	3,074,683	3,045,000
Investments	8	1,736,094	1,703,142
		<u>4,810,777</u>	<u>4,748,142</u>
Current assets			
Debtors	9	30,917	29,225
Cash at bank		126,915	222,063
		<u>157,832</u>	<u>251,288</u>
Creditors: amounts falling due within one year	10	<u>11,738</u>	<u>44,721</u>
Net current assets		146,094	206,567
Total assets less current liabilities		<u>4,956,871</u>	<u>4,954,709</u>
Capital and reserves			
Called-up equity share capital	13	140,501	140,501
Revaluation reserve	14	2,778,925	2,778,925
Other reserves	15	150,000	150,000
Profit and loss account	16	1,887,445	1,885,283
Shareholders' funds	17	<u>4,956,871</u>	<u>4,954,709</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the accounts for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company

These accounts were approved by the directors and authorised for issue on 2nd September 2013, and are signed on their behalf by



Mr H M Walker

Company Registration Number 0166329

The notes on pages 6 to 13 form part of these accounts

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2013

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain 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 7 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 2013

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 2013

2. Income

Investment income

	2013 £	2012 £
UK Equities	43,762	31,647
Overseas Equities	17,150	11,564
UK Unit Trusts - interest	15,038	16,421
Overseas Unit Trusts - interest	8,900	2,914
UK REITS	836	813
Government Stocks - interest	-	5,796
	<u>85,686</u>	<u>69,155</u>

Estate accounts

	2013 £	2012 £
Rented farm property	(18,979)	14,181
Woodlands	(2,088)	(2,131)
	<u>(21,067)</u>	<u>12,050</u>

Total income

	2013 £	2012 £
Investment income		
Quoted	85,686	69,155
Estate accounts	(21,067)	(12,050)
	<u>64,619</u>	<u>57,105</u>

3. Particulars of employees

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

	2013 No	2012 No
Number of management staff	<u>5</u>	<u>5</u>

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	21,500	17,000
Social security costs	-	-
	<u>21,500</u>	<u>17,000</u>

Other than the directors, there were no staff employed

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2013

4. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Remuneration receivable	<u>21,500</u>	<u>17,000</u>

5. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
UK Corporation tax based on the results for the year at 20% (2012 - 20%)	-	28,662
Adjustment in respect of previous year	<u>(3,362)</u>	<u>-</u>
Total current tax	<u>(3,362)</u>	<u>28,662</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% (2012 - 20%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>62,025</u>	<u>141,731</u>
Profit on ordinary activities by rate of tax	11,908	28,346
Expenses not deductible for tax purposes	914	-
Capital gains after indexation	(1,243)	-
Unrelieved tax losses	603	-
Adjustments to tax charge in respect of previous periods	<u>(3,362)</u>	<u>-</u>
Net income not taxable (quoted investments, woodlands and indexation allowances)	<u>(12,182)</u>	<u>316</u>
Total current tax (note 5(a))	<u>(3,362)</u>	<u>28,662</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2013

6. Dividends

Equity dividends	2013 £	2012 £
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 5th April 2012 at the rate of 35% was paid on 29th September 2012

An interim dividend for the year ended 5th April 2013 at the rate of 10% was paid on 28th March 2013

A final dividend for the year ended 5th April 2013 at the rate of 35% has been proposed for payment on 28th September 2013

7. Tangible fixed assets

	Freehold Investment Property £		
Cost or valuation			
At 6th April 2012			3,045,000
Additions			<u>29,683</u>
At 5th April 2013			<u>3,074,683</u>
Net book value			
At 5th April 2013			<u>3,074,683</u>
At 5th April 2012			<u>3,045,000</u>
Represented by:			
	Tenanted farms £	Managed woodlands £	Total £
At valuation - 5th April 2013	<u>3,034,683</u>	<u>40,000</u>	<u>3,074,683</u>

The directors revalued the freehold investment property owned by the company at 5th 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 5th April 2013 plus additions in the year.

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2013

8. Investments

Fixed asset investments

	£
Cost	
At 6th April 2012	1,703,142
Additions	34,336
Disposals	(1,384)
At 5th April 2013	<u>1,736,094</u>
Net book value	
At 5th April 2013	<u>1,736,094</u>
At 5th April 2012	<u>1,703,142</u>

	2013 Book value £	2012 Book value £	2013 Market value £	2012 Market value £
Quoted	1,686,094	1,653,142	2,237,465	2,003,208
Property Enterprise Trusts	50,000	50,000	50,000	50,000
	<u>1,736,094</u>	<u>1,703,142</u>	<u>2,287,465</u>	<u>2,053,208</u>

The change in the book value of quoted investments is represented by acquisitions of £34,336 (2012 £834,424) and disposals, expressed in terms of cost, of £1,384 (2012 £459,840)

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

9. Debtors

	2013 £	2012 £
Corporation tax repayable	3,175	-
Funds held by property managers	12,972	12,327
Other taxes	762	5,586
Other debtors	8,198	5,566
Prepayments and accrued income	5,810	5,746
	<u>30,917</u>	<u>29,225</u>

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Accrued charges	11,738	17,852
Corporation tax	-	24,069
Other creditors	-	2,800
	<u>11,738</u>	<u>44,721</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2013

11. 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 £295,000 (2012 £350,000)

12. 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

13. Share capital

Allotted, called up and fully paid:

	2013		2012	
	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 (2012 £150,000)

14. Revaluation reserve

	2013 £	2012 £
Balance brought forward	2,778,925	2,953,925
Transfer to the Profit and Loss Account on realisation	-	(175,000)
Balance carried forward	<u>2,778,925</u>	<u>2,778,925</u>

15. Other reserves

	2013 £	2012 £
Capital reserve	<u>150,000</u>	<u>150,000</u>

LODORE LIMITED

Notes to the Accounts

Year ended 5th April 2013

16. Profit and loss account

	2013 £	2012 £
Balance brought forward	1,885,283	1,660,439
Retained profit for the financial year	65,387	113,069
Equity dividends	(63,225)	(63,225)
Transfer from revaluation reserve	-	175,000
Balance carried forward	<u>1,887,445</u>	<u>1,885,283</u>

17. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	65,387	113,069
Equity dividends	(63,225)	(63,225)
Net addition to shareholders' funds	<u>2,162</u>	<u>49,844</u>
Opening shareholders' funds	4,954,709	4,904,865
Closing shareholders' funds	<u>4,956,871</u>	<u>4,954,709</u>