

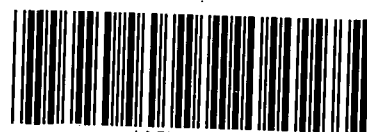
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LODORE LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2016

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LODORE LIMITED

COMPANY INFORMATION

Directors

Mr H M Walker
Mr J A Pattinson
Mr R M Walker
Mr S G Walker

Secretary

Mr S G Walker

Company number

00166329

Registered office

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

Accountants

Mitchell Charlesworth LLP
3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

LODORE LIMITED

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LODORE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 5 APRIL 2016

The directors present their report and financial statements for the year ended 5 April 2016.

Principal activities

The principal activity of the company continued to be that of an investment company, holding stocks and shares, agricultural property, and woodlands.

Business review

The profit for the year before taxation amounts to £61,189 (2015 £197,611). The profit for the year includes realised gains of £29,381 (2015 £45,193).

There is no taxation provision due to the profits being represented by exempt investment income, capital gains, which are mitigated by relief for increased base costs and indexation, and income from woodlands is also exempt.

The directors continue to actively manage the portfolio of investments in conjunction with advice received from the company's investment advisors. Investment income has decreased from the previous year which is expected following the realisation of investments during the year.

The market value of investments as stated in note 8 amounts to £1,401,197 (2015 £1,826,874).

The rented farm property account generated a surplus of £21,567, compared to £29,576 in 2015. Expenses in the year included costs relating to storm Desmond flood damage, net of £128,000 insurance claims. The woodlands incurred net expenditure of £3,984 compared to net income of £109,415 in 2015. Income in the year arose in relation to the continued compulsory felling of diseased trees and grants received. Costs of clearance and replanting exceeded total income generated.

Tenants vacated two properties prior to 5 April 2016, included a tenanted farm. This has resulted in an uplift in the year end valuation, prior to their subsequent sale in the current year.

The directors consider the results for the year to be satisfactory and recommend approval of dividends paid as follows:

	2016	2015
	£	£
Dividend paid - 200% (2015 200%)	281,002	281,002
	<u>281,002</u>	<u>281,002</u>

Directors

The following directors have held office since 6 April 2015:

Mr H M Walker
Mr J A Pattinson
Mr R M Walker
Mr S G Walker

LODORE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary voting shares of £1 each	
	5 April 2016	5 April 2015
Mr H M Walker	13	13
Mr J A Pattinson	-	-
Mr R M Walker	3,757	3,757
Mr S G Walker	3,757	3,757

	Ordinary non-voting shares of £1 each	
	5 April 2016	5 April 2015
Mr H M Walker	37	37
Mr J A Pattinson	8,040	8,040
Mr R M Walker	8,267	8,267
Mr S G Walker	8,268	8,268

Mr H M Walker is also interested as a trustee in 3,713 voting shares.

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

Financial risk management objectives and policies

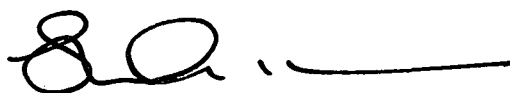
As an investment company, the directors utilise the resources of professional firms of investment and estate advisors. The directors receive regular reports on the investment and property portfolio in order to manage the company's requirements.

Tangible assets - investment property

The investment properties were revalued as at 5 April 2016 based on advice received from the company's property advisors and the surplus arising on revaluation of £700,000, after deducting a provision for deferred taxation of £520,000 on current revaluations, has been added to the revaluation reserve. This is on the basis of accounting set out in note 1 to the accounts.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



Mr S G Walker

Secretary

30 August 2016

LODORE LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF LODORE LIMITED FOR THE YEAR ENDED 5 APRIL 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Lodore Limited for the year ended 5 April 2016 set out on pages 4 to 15 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 <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

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 15 July 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Lodore Limited and state those matters that we have agreed to state to the Board of Directors of Lodore Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent 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 financial statements that give a true and fair view of the assets, liabilities, financial position and profit 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 financial statements 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 financial statements.



Mitchell Charlesworth LLP

30 August 2016

Chartered Accountants

3rd Floor
5 Temple Square
Temple Street
Liverpool
Merseyside
L2 5RH

LODORE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2016

	Notes	2016 £	2015 £
Income	3	76,758	200,002
Administrative expenses		(45,458)	(48,822)
Operating profit	2	31,300	151,180
Profit on sale of investments		29,381	45,193
		60,681	196,373
Other interest receivable and similar income		508	1,238
Profit on ordinary activities before taxation		61,189	197,611
Tax on profit on ordinary activities	5	-	2,002
Profit for the year	13	61,189	199,613

LODORE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 5 APRIL 2016

	2016 £	2015 £
Profit for the financial year	61,189	199,613
Unrealised surplus on revaluation of investment properties	1,200,000	-
Deferred tax on revaluation of investment properties	(520,000)	-
Total recognised gains and losses relating to the year	<u>741,189</u>	<u>199,613</u>

LODORE LIMITED

BALANCE SHEET

AS AT 5 APRIL 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	7	4,272,200		3,072,200	
Investments	8	1,090,134		1,285,678	
		<u>5,362,334</u>		<u>4,357,878</u>	
Current assets					
Debtors	9	286,345		138,302	
Cash at bank and in hand		225,245		318,217	
		<u>511,590</u>		<u>456,519</u>	
Creditors: amounts falling due within one year	10	(109,217)		(29,877)	
Net current assets		<u>402,373</u>		<u>426,642</u>	
Total assets less current liabilities		<u>5,764,707</u>		<u>4,784,520</u>	
Provisions for liabilities	11	(520,000)		-	
		<u>5,244,707</u>		<u>4,784,520</u>	
Capital and reserves					
Called up share capital	12	140,501		140,501	
Revaluation reserve	13	3,458,925		2,778,925	
Capital redemption reserve	13	150,000		150,000	
Profit and loss account	13	1,495,281		1,715,094	
Shareholders' funds	14	<u>5,244,707</u>		<u>4,784,520</u>	

LODORE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 5 APRIL 2016

For the financial year ended 5 April 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

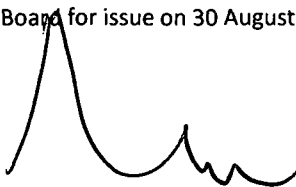
Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 30 August 2016

Mr H M Walker
Director



Company Registration No. 00166329

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Changes in accounting policies

The accounts have been modified to include the revaluation of certain fixed assets.

FRSSE 2015 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 8 to the accounts.

The investment properties owned by the company were revalued as at 5th April 2016, with the surplus arising being added to the carrying values of the properties. The revaluation reserve has been credited with a corresponding amount. Financial Reporting Standards have excluded the provision for deferred taxation, unless there are binding arrangements for the sale of a property at the balance sheet date.

However the directors are aware that Financial Reporting Standard 102 will require entities to include a provision for deferred taxation, when there has been a revaluation and capital gains tax would be chargeable, should the property have been sold at the balance sheet date. Whilst FRS102 is applicable for periods commencing from 1 January 2016, the director considers that as the balance on the cumulative gains up to 5 April 2016, amounts to £520,000, then the liability should be and has been recognised in these accounts.

This includes £285,000 of deferred tax not provided for as at 5 April 2015 and £235,000 for the current year after allowing for indexation relief.

This gives a fair representation of the underlying shareholders' funds at 5 April 2016 and will avoid the need for a large reduction in shareholders' funds in respect of deferred taxation when FRS102 is introduced.

1.3 Compliance with and departure from accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Cash flow statement

The directors have taken advantage of the exemption in FRSSE 2015 from including a cash flow statement in the accounts on the grounds that the company is small.

1.5 Investment 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.

1.6 Tangible fixed assets and depreciation

Freehold investment properties are not depreciated.

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

1 Accounting policies

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 FRSSE 2015 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.

1.7 Investments

Fixed asset investments are stated at cost.

1.8 Deferred taxation

Deferred taxation is recognised in the profit and loss account 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 taxation on revalued investment properties is calculated on the revaluation surplus and recognised in the Statement of Recognised Gains and Losses. This is not in accordance with FRSSE 2015 but as explained in note 1.2 above, the director considers that this treatment gives a true and fair representation of the underlying shareholders' funds.

1.9 Foreign currency translation

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

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

1.11 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.

1.12 Grants

Revenue grants are recognised in the period to which they relate.

1.13 Revaluation reserve

The reserve represents the surplus on revaluation of investment properties to open market value in accordance with FRSSE 2015. This has been reduced by the provision for deferred taxation as referred to in the notes 1.2 and 1.8 above.

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

2	Operating profit	2016	2015
		£	£
	Operating profit is stated after charging:		
	Directors' remuneration	14,500	16,500
		<u> </u>	<u> </u>
3	Income		
	Investment income	2016	2015
		£	£
	UK Equities	47,190	41,100
	Overseas Equities	9,916	17,810
	UK Unit Trusts - interest	1,220	1,481
	Overseas Unit Trusts - interest	849	620
		<u> </u>	<u> </u>
		59,175	61,011
	Profit on sale of investments	29,381	45,193
		<u> </u>	<u> </u>
		88,556	106,204
		<u> </u>	<u> </u>
	Estate accounts	2016	2015
		£	£
	Rented farm income	21,567	29,576
	Woodlands	(3,984)	109,415
		<u> </u>	<u> </u>
		17,583	138,991
		<u> </u>	<u> </u>
	Total income	2016	2015
		£	£
	Investment income	59,175	61,011
	Estate accounts	17,583	138,991
		<u> </u>	<u> </u>
		76,758	200,002
		<u> </u>	<u> </u>

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

4 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2016 Number	2015 Number
Number of management staff	<u>4</u>	<u>5</u>

The aggregate payroll costs of the above were:

Employment costs

	2016 £	2015 £
Wages and salaries	<u>14,500</u>	<u>16,500</u>

Other than the directors, there were no staff employed.

5 Taxation

	2016 £	2015 £
Domestic current year tax		
U.K. corporation tax	-	-
Adjustment for prior years	-	(2,002)
	<u>-</u>	<u>(2,002)</u>

6 Dividends

	2016 £	2015 £
Dividend paid 10 April 2015	<u>281,002</u>	<u>281,002</u>

A dividend for the year ended 5 April 2016 at the rate of 200% was paid on 22 April 2016.

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

7 Tangible fixed assets

	Investment properties £		
Cost or valuation			
At 6 April 2015			3,072,200
Revaluation surplus			1,200,000
			<u>4,272,200</u>
At 5 April 2016			<u>4,272,200</u>
Net book value			
At 5 April 2016			<u>4,272,200</u>
At 5 April 2015			<u>3,072,200</u>
Represented by:			
	Tenanted farms	Managed woodlands	Total
	£	£	£
At valuation 5 April 2016	<u>4,232,200</u>	<u>40,000</u>	<u>4,272,200</u>

The freehold investment property was revalued by the directors at 5 April 2016 based on advice received from the company's property advisors, taking into account the nature of the tenancies which afford protection from the Agriculture Holdings Act 1986.

The value of freehold investment property was increased following the revaluation of one property where the protected tenant had vacated prior to 5 April 2016.

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

8 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 6 April 2015	1,258,098	27,580	1,285,678
Additions	135,162	2,580	137,742
Disposals	(333,286)	-	(333,286)
At 5 April 2016	1,059,974	30,160	1,090,134
Net book value			
At 5 April 2016	1,059,974	30,160	1,090,134
At 5 April 2015	1,258,098	27,580	1,285,678
	Market value £	Directors' valuation £	Total £
At 5 April 2016	1,371,037	30,160	1,401,197
At 5 April 2015	1,799,294	27,580	1,826,874

The change in the book value of listed investments is represented by acquisitions of £137,742 (2015 £132,498) and disposals, expressed in terms of cost, of £333,286 (2015 £212,916).

The directors consider that the market value of the unlisted investment is fairly stated at the original cost.

9 Debtors

	2016 £	2015 £
Funds held by property managers	137,911	80,184
Corporation tax	540	296
Other debtors	113,916	14,482
Prepayments and accrued income	33,978	43,340
	<u>286,345</u>	<u>138,302</u>

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	<u>109,217</u>	<u>29,877</u>

LODORE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2016

11 Provisions for liabilities

	Deferred tax liability £
Deferred tax on revaluation surplus	520,000
Balance at 5 April 2016	520,000

Deferred taxation

This represents the potential deferred tax arising on the disposal of investment properties at valuation, as explained in the accounting policy note 1.

12 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
12,300 Ordinary voting shares of £1 each	12,300	12,300
128,201 Ordinary non-voting shares of £1 each	128,201	128,201
	<u>140,501</u>	<u>140,501</u>

The authorised share capital is £150,000 (2015 £150,000).

13 Statement of movements on reserves

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance at 6 April 2015	2,778,925	150,000	1,715,094
Profit for the year	-	-	61,189
Dividends paid	-	-	(281,002)
Revaluation during the year	1,200,000	-	-
Deferred taxation	(520,000)	-	-
Balance at 5 April 2016	<u>3,458,925</u>	<u>150,000</u>	<u>1,495,281</u>

LODORE LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2016

14	Reconciliation of movements in Shareholders' funds	2016	2015
		£	£
	Profit for the financial year	61,189	199,613
	Dividends	(281,002)	(281,002)
		(219,813)	(81,389)
	Other recognised gains and losses	680,000	-
	Net addition to/(depletion in) shareholders' funds	460,187	(81,389)
	Opening Shareholders' funds	4,784,520	4,865,909
	Closing Shareholders' funds	5,244,707	4,784,520

15 Related party relationships and 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.