

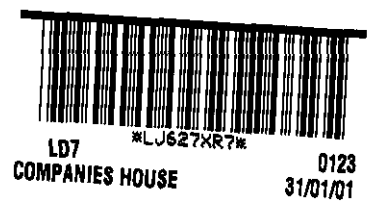
The Lundy Company Limited

Report and Financial Statements

Year Ended

31 March 2000

960421



BDO

BDO Stoy Hayward
Chartered Accountants

THE LUNDY COMPANY LIMITED

Annual report and financial statements for the year ended 31 March 2000

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Directors

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Directors

B E E Smith
Christian Lady Smith

Secretary and registered office

P H Pearce, Shottesbrooke, Maidenhead, Berkshire SL6 3SW

Company number

960421

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2000

The directors present their report together with the audited financial statements for the year ended 31 March 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

The directors are unable to recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company is the administration of the Island of Lundy and the carrying out of a programme of improvements on the Island.

The directors expect the current level of activity to continue.

Directors

The directors of the company during the year were:

B E E Smith
Christian Lady Smith

No director had any interest in the ordinary shares of the company.

B E E Smith and Christian Lady Smith are also directors of the ultimate parent company, The Landmark Trustee Company Limited, and their membership of that company is shown in its financial statements.

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2000 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

Subsequent to the year end Arthur Andersen resigned as auditors and the directors appointed BDO Stoy Hayward in their place.

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



Secretary

P. H. Pearce

Date

24/1/01

THE LUNDY COMPANY LIMITED

Report of the auditors

To the shareholders of The Lundy Company Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, because we were not appointed auditors of the company until 1 December 2000, the evidence available to us was limited and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate evidence as regards the existence of fixed assets and stocks included in the financial statements at 31 March 2000.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its loss for the year then ended, except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the existence of fixed assets and stocks as at 31 March 2000, and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

Date 

THE LUNDY COMPANY LIMITED

Profit and loss account for the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	2	1,149,017	1,096,355
Cost of sales		290,915	253,206
Gross profit		858,102	843,149
Administrative expenses		(919,207)	(806,928)
Other operating income		58,624	-
Operating (loss) / profit	5	(2,481)	36,221
Profit on sale of fixed assets		3,350	1,670
Interest payable and similar charges	6	(6,528)	(8,207)
Retained (loss) / profit for the year		(5,659)	29,684
Retained loss brought forward		(1,940,906)	(1,970,590)
Retained loss carried forward		(1,946,565)	(1,940,906)

All amounts relate to continuing activities.

There were no recognised gains or losses other than the loss for the year as shown above.

The notes on pages 6 to 10 form part of these financial statements.

THE LUNDY COMPANY LIMITED

Balance sheet at 31 March 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	8	2,922,771	1,213,755
Current assets			
Stocks	9	70,081	64,100
Prepayments and accrued income		43,884	103,613
Cash in hand		2,160	2,360
		<u>116,125</u>	<u>170,073</u>
Creditors: amounts falling due within one year	10	<u>539,237</u>	<u>474,274</u>
Net current liabilities		(423,122)	(304,201)
Total assets less current liabilities		2,499,659	909,554
Creditors: amounts falling due after more than one year	11	(4,446,124)	(2,850,360)
		<u>(1,946,465)</u>	<u>(1,940,806)</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	(1,946,565)	(1,940,906)
Equity shareholders' funds		<u>(1,946,465)</u>	<u>(1,940,806)</u>

The financial statements were approved by the Board on

24/1/01

B. E. E. Smith

Director

B. E. E. Smith

The notes on pages 6 to 10 form part of these financial statements.

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the valuation of livestock and the transitional arrangements which have been followed this year on adopting Financial Reporting Standard 15, "Tangible Fixed Assets", and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the amounts excluding value added tax, receivable by the company for the goods and services provided on the island.

Grants receivable

Grants receivable in respect of capital projects are credited to the balance sheet as deferred income. The balance of the grant is subsequently released to the profit and loss account in proportion to the depreciation charged against the relevant asset.

Revenue grants are taken to the profit and loss account in the period in which they are receivable.

Tangible fixed assets

The company is adopting FRS 15 this year. In future, all additions to tangible fixed assets will be stated at cost. Where existing unimpaired tangible fixed assets are stated at valuation the company has taken advantage of the transitional arrangements in FRS 15 to retain these book values. Where an asset that was previously revealed is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. Assets under construction at the year end are stated at cost, depreciation will be provided once the assets are complete. It is calculated at the following rates:

Leasehold buildings	- over the term of the lease
Jetty	- 50 years
Plant and fittings	- 3 – 10 years
Shipping	- 5 – 15 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal. The exception is the valuation of livestock which is based upon an annual valuation.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

3 Employees

	2000 £	1999 £
Staff costs consist of:		
Wages and salaries (including pension costs)	389,228	360,324
Social security costs	26,106	26,744
	<u>415,334</u>	<u>387,068</u>

The average number of employees, including directors, during the year was 44 (1999 - 43).

4 Directors

	2000 £	1999 £
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

5 Operating profit

	2000 £	1999 £
This has been arrived at after charging/(crediting):		
Depreciation	122,330	84,171
Auditors' remuneration	4,500	4,285
Profit on sale of fixed assets	(3,350)	(2,670)
Grant	(58,624)	-
	<u>164,866</u>	<u>85,786</u>

6 Interest payable and similar charges

	2000 £	1999 £
Bank overdraft	6,528	8,207
	<u>6,528</u>	<u>8,207</u>

7 Taxation on profit from ordinary activities

There is no provision for taxation due to losses at 31 March 2000 of £1.8 million (1999 - £1.8 million), available for offset against future trading profits.

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

8 Tangible assets

	Assets under construction £	Long leasehold building £	Jetty £	Plant, fixtures and fittings £	Shipping £	Total £
<i>Cost or valuation</i>						
At 1 April 1999	852,288	279,141	-	414,639	419,369	1,965,437
Addition	346,729	-	1,280,843	49,457	156,172	1,833,201
Disposals	-	-	-	(32,061)	-	(32,061)
Transfers	(337,762)	-	57,765	-	279,997	-
At 31 March 2000	861,255	279,141	1,338,608	432,035	855,538	3,766,577
<i>Depreciation</i>						
At 1 April 1999	-	95,783	-	307,423	348,476	751,682
Provided for the year	-	10,168	15,617	41,881	54,664	122,330
Disposals	-	-	-	(30,206)	-	(30,206)
At 31 March 2000	-	105,951	15,617	319,098	403,140	843,806
<i>Net book value</i>						
At 31 March 2000	861,255	173,190	1,322,991	112,937	452,398	2,922,771
At 31 March 1999	852,288	183,358	-	107,216	70,893	1,213,755

9 Stocks

	2000 £	1999 £
Goods held for resale	65,511	60,450
Raw materials	4,570	3,650
	70,081	64,100

There is no material difference between the replacement cost of stocks and the amounts stated above.

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

	2000 £	1999 £
Bank overdraft	85,942	138,182
Trade creditors	137,263	80,375
Taxation and social security	13,467	11,072
Other creditors	177,970	160,788
Accruals and deferred income	124,595	83,857
	539,237	474,274

11 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Loan from The Landmark Trust	1,942,592	2,035,814
Deferred income	2,503,532	814,546
	<u>4,446,124</u>	<u>2,850,360</u>

	Authorised			
	2000	1999	2000	1999
	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Allotted, called up and fully paid			
	2000	1999	2000	1999
	Number	Number	£	£
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2000 *(Continued)*

13 Reserves

	Profit and loss account £
At 1 April 1999	(1,940,906)
Retained loss for year	(5,659)
At 31 March 2000	(1,946,565)

14 Ultimate parent company

At 31 March 2000 the company's ultimate parent undertaking was The Landmark Trust a charity registered in England.