

960421

L

The Lundy Company Limited

Report and Financial Statements

Year Ended

31 March 2001



BDO Stoy Hayward
Chartered Accountants

THE LUNDY COMPANY LIMITED

Annual report and financial statements for the year ended 31 March 2001

Page:

1	Report of the directors
3	Report of the auditors
4	Profit and loss account
5	Balance sheet
6	Notes forming part of the financial statements

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 2001

The directors present their report together with the audited financial statements for the year ended 31 March 2001.

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.

Christian Lady Smith is also a director of the ultimate parent company, The Landmark Trustee Company Limited, and her membership of that company is shown in its financial statements.

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2001 (*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 year. 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 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

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

Date:

18/1/02

THE LUNDY COMPANY LIMITED

Report of the independent auditors

To the members 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 therein.

Respective responsibilities of Directors and independent auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

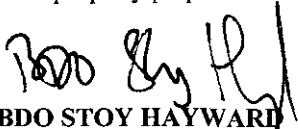
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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, as a result of the restrictions imposed as a result of foot and mouth disease, we were unable to visit Lundy Island during March 2001. 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 2001.

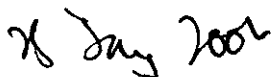
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, 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 2001, the financial statements give a true and fair view of the state of the affairs of the company as at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD

Chartered Accountants
and Registered Auditors
Epsom, Surrey


X May 2002

THE LUNDY COMPANY LIMITED

Profit and loss account for the year ended 31 March 2001

	Notes	2001 £	2000 £
Turnover	2	1,085,637	1,149,017
Cost of sales		(239,538)	(290,915)
Gross profit		846,099	858,102
Administrative expenses		(938,440)	(919,207)
Other operating income		85,732	58,624
Operating loss	5	(6,609)	(2,481)
Profit on sale of fixed assets		4,180	3,350
Interest payable and similar charges	6	(7,798)	(6,528)
Retained loss for the year		(10,227)	(5,659)
Retained loss brought forward		(1,946,565)	(1,940,906)
Retained loss carried forward		(1,956,792)	(1,946,565)

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 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	8	3,214,493	2,922,771
Current assets			
Stocks	9	82,241	70,081
Prepayments and accrued income		41,013	43,884
Cash in hand		2,060	2,160
		<u>125,314</u>	<u>116,125</u>
Creditors: amounts falling due within one year	10	<u>589,840</u>	<u>539,237</u>
Net current liabilities		(464,526)	(423,112)
Total assets less current liabilities		2,749,967	2,499,659
Creditors: amounts falling due after more than one year	11	(4,706,659)	(4,446,124)
		<u>(1,956,692)</u>	<u>(1,946,465)</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	(1,956,792)	(1,946,565)
Equity shareholders' funds		<u>(1,956,692)</u>	<u>(1,946,465)</u>

The financial statements were approved by the Board on 18 January 2002



Director

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 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the valuation of livestock 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 assets.

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

Tangible fixed assets

Additions to tangible fixed assets are stated at cost. Assets acquired prior to 1 April 1999 are stated at their carrying value as at that date.

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
Road	-	30 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 2001 (Continued)

3 Employees

	2001 £	2000 £
Staff costs consist of:		
Wages and salaries (including pension costs)	378,087	377,340
Social security costs	37,985	37,994
	<u>416,072</u>	<u>415,334</u>

The average number of employees, including directors and pensioners during the year was 44 (2000 - 44).

4 Directors

	2001 £	2000 £
Directors' emoluments	-	-

5 Operating loss

	2001 £	2000 £
This has been arrived at after charging/(crediting):		
Depreciation	149,381	122,330
Auditors' remuneration	5,500	4,500
Profit on sale of fixed assets	(4,180)	(3,350)
Grant	(85,732)	(58,624)

6 Interest payable and similar charges

	2001 £	2000 £
Bank overdraft	<u>7,798</u>	<u>6,528</u>

7 Taxation on profit from ordinary activities

There is no provision for taxation due to losses at 31 March 2001 of £1.76 million (2000 - £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 2001 (Continued)

8 Tangible assets

	Assets under construction	Long leasehold buildings/ road	Jetty	Plant, fixtures and fittings	Shipping	Total
	£	£	£	£	£	£
<i>Cost or valuation</i>						
At 1 April 2000	861,255	279,141	1,338,608	432,035	855,538	3,766,577
Addition	401,329	-	-	32,522	7,252	441,103
Disposals	-	-	-	(10,000)	-	(10,000)
Transfers	(615,964)	730,018	(114,872)	-	818	-
At 31 March 2001	646,620	1,009,159	1,223,736	454,557	863,608	4,197,680
<i>Depreciation</i>						
At 1 April 2000	-	105,951	15,617	319,098	403,140	843,806
Charge in year	-	28,121	24,475	42,112	54,673	149,381
Disposals	-	-	-	(10,000)	-	(10,000)
At 31 March 2001	-	134,072	40,092	351,210	457,813	983,187
<i>Net book value</i>						
At 31 March 2001	646,620	875,087	1,183,644	103,347	405,795	3,214,493
At 31 March 2000	861,255	173,190	1,322,991	112,937	452,398	2,922,771

9 Stocks

	2001 £	2000 £
Goods held for resale	72,861	65,511
Raw materials	9,380	4,570
	82,241	70,081

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 2001 (Continued)

	2001 £	2000 £
Bank overdraft	131,548	85,942
Trade creditors	77,010	137,263
Taxation and social security	38,888	13,467
Other creditors	201,428	177,970
Accruals and deferred income	140,966	124,595
	<u>589,840</u>	<u>539,237</u>

11 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Loan from The Landmark Trust	1,911,646	1,942,592
Deferred income	2,795,013	2,503,532
	4,706,659	4,446,124

	Authorised			
	2001	2000	2001	2000
	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			
	2001	2000	2001	2000
	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 2001 *(Continued)*

13 Reserves

	Profit and loss account £
At 1 April 2000	(1,946,565)
Retained loss for year	(10,227)
At 31 March 2001	(1,956,792)

14 Ultimate parent company

At 31 March 2001 the company's ultimate parent undertaking was The Landmark Trustee Company Limited, a company registered in England.