

Company registration 960421

The Lundy Company Limited

Report and Financial Statements

Year Ended

31 March 2011

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THE LUNDY COMPANY LIMITED

Annual report and financial statements for the year ended 31 March 2011

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Directors

B E E Smith
MD Drury CBE
N Mendoza

Secretary and registered office

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

Company number

960421

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey KT17 1HS, United Kingdom

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2011

The directors present their report together with the audited financial statements for the year ended 31 March 2011

Results and dividends

The profit and loss account is set out on page 6 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

During the review year, the company continued to pursue its core activities and additionally completed the erection of a new departure facility at its Hartland heliport to improve comfort for visitors in transit during winter months. Total income, including interest receivable, for the year increased on 2009/10 by approximately 3%. Visitor numbers to the Island were slightly higher than the previous year with 11,386 day trippers (2009/10 – 11,311). Total attendance of all visitors was 16,884 (2009/10 – 17,219). Staying visitors at the properties on the Island totalled 5,498 (2009/10 – 5,168).

Weather throughout the year was better than the previous season, however, day trips were affected by adverse weather, with 10% of all scheduled sailings affected. As a result, the third party standby helicopter service had to be chartered on 11 occasions for staying visitors at considerable cost to the company (although this enabled bookings and their income to be retained with consequent secondary spend on the island which would otherwise have been lost). Poor weather resulted in cancelled sailings for day trippers on 11 occasions (2009/10 16 occasions).

As well as the completion of the new helicopter facility, Island maintenance focused on the erection of a new purpose-built volunteer accommodation block which will replace four existing caravans. The Island's Combined Heat and Power system had a major service along with the water main which was de-scaled during the winter shutdown period. The main electricity generator was also refurbished after ten years' running. All properties underwent fire safety reviews and had radio linked smoke and heat alarms fitted, with the Barn additionally having a purpose-built sprinkler system installed. All letting properties had five-yearly electrical inspections and a programme to update all consumer units began. The Stoneycroft and Castle Keep East properties had their electrical systems completely rewired.

Work continued on the main landing jetty to replace the original fixings, many of which had deteriorated over the past ten years. The beach building interpretation review project was completed and the building re-opened in May 2010 after refurbishment.

Work during 2010/11 on the development of the conservation management plan was completed in summer 2011. The plan has been produced to help steer the Island's conservation needs and to support the farm in applying for entry to Higher Level Stewardship with Natural England.

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2011 (*Continued*)

Financial instruments

The company holds or issues financial instruments to finance its operations. Operations are financed by retained profits. Various financial instruments such as trade debtors and trade creditors arise directly out of the company's operations. The company does not enter into any hedging arrangements. The company is exposed to liquidity and cashflow risks due to the concentration of its assets in relatively illiquid tangible fixed assets. The company had net current liabilities as at the balance sheet date. Cash flow is monitored by the trustees of the parent company on a regular basis and appropriate action is taken where additional funds are required.

Principal risks and uncertainties

The principal ongoing risk to the company is the weather. In particular income from day trippers, consisting of income from boat tickets and the Island tavern and shop, can be significantly affected by adverse weather. This risk can be mitigated by exploring all possible opportunities to reduce the fixed costs of running the Island.

M S Oldenburg provides the only scheduled service to and from the Island for visitors and supplies and is operated by the Company. Well suited to this purpose, she is now over 50 years old and in good condition, meeting all statutory certification requirements.

Directors

The directors of the company during the year were

B E E Smith
MD Drury CBE
H R Cookson

On 16 June 2011, Mr H R Cookson resigned as a director and Mr N Mendoza was appointed as a director. No director had any interest in the ordinary shares of the company.

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2011 (*Continued*)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 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 financial statements 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed a willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the next annual general meeting.

By order of the Board



Peter Pearce
Secretary

Date 29 SEPTEMBER 2011

THE LUNDY COMPANY LIMITED

Independent auditor's report to the member of The Lundy Company Limited

We have audited the financial statements of The Lundy Company Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes. 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 members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss 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 financial statements are prepared is consistent with the financial statements.

THE LUNDY COMPANY LIMITED

Independent auditor's report to the member of The Lundy Company Limited (*Continued*)

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 financial statements 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



Don Bawtree (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Epsom, Surrey

Date

- 5 OCT 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE LUNDY COMPANY LIMITED

Profit and loss account for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	2	2,049,931	1,960,627
Cost of sales		(879,645)	(886,691)
Gross profit		1,170,286	1,073,936
Administrative expenses		(1,460,548)	(1,316,959)
Other operating income		281,891	294,935
Profit on sale of fixed assets		1,600	3,788
Operating (loss) / profit	5	(6,771)	55,700
Interest receivable		4,962	947
Retained (loss) / profit for the year		(1,809)	56,647

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 14 form part of these financial statements

THE LUNDY COMPANY LIMITED**Balance sheet at 31 March 2011**

	Notes	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	7		2,894,053		3,038,373
Current assets					
Stocks	8	162,740		155,830	
Debtors	9	76,726		58,624	
Cash at bank and in hand		29,845		217,569	
		269,311		432,023	
Creditors: amounts falling due within one year					
Payments received in advance		416,235		402,475	
Creditors	10	941,729		1,154,171	
		1,357,964		1,556,646	
Net current liabilities			(1,088,653)		(1,124,623)
Total assets less current liabilities			1,805,400		1,913,750
Creditors: amounts falling due after more than one year					
	11		(1,664,460)		(1,771,001)
			140,940		142,749
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		140,840		142,649
Shareholder's funds	14		140,940		142,749

The financial statements were approved by the Board and authorised for issue on 29 September 2011

Martin Drury
Director



The notes on pages 8 to 14 form part of these financial statements

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011

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:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1, "Cash Flow Statements (Revised 1996)", not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by The Landmark Trustee Company Limited and the company is included in consolidated financial statements.

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	-	27 - 43 years
Road	-	20 - 28 years
Island Infrastructure	-	5 - 25 years
Plant, Fixtures 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.

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies (*Continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

2 Turnover

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

3 Employees

	2011 £	2010 £
Staff costs consist of		
Wages and salaries	679,729	663,557
Social security costs	54,377	52,154
Pensions	18,257	15,758
	<u>752,363</u>	<u>731,469</u>

The average number of employees, including directors and pensioners during the year was 54 (2010 - 53). This is calculated on an actual headcount, rather than a full-time equivalent, basis

4 Directors

	2011 £	2010 £
Directors' emoluments	-	-

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

5 Operating profit / (loss)

	2011 £	2010 £
This has been arrived at after charging/(crediting)		
Depreciation	202,519	167,373
Auditors' fees		
- audit fees	6,336	6,750
Profit on disposal of fixed assets	(1,600)	(3,788)
Release of deferred grants	(108,143)	(125,986)
	<u> </u>	<u> </u>

6 Taxation on loss from ordinary activities

	2011 £	2010 £
Taxation on loss on ordinary activities	-	-
	<u> </u>	<u> </u>

Factors affecting the current tax charge for the year

	2011 £	2010 £
(Loss) / profit on ordinary activities before taxation	(1,809)	56,647
	<u> </u>	<u> </u>
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2010 21%)	(380)	11,896
Effects of		
Depreciation in excess of capital allowances	36,412	29,599
Non – taxable income	(23,046)	(27,253)
Gift Aid payments	(843)	-
Utilisation of tax losses	(12,143)	(14,242)
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	-	-
	<u> </u>	<u> </u>

Factors that may affect future tax charges

The unrecognised deferred tax asset is £267,335 at 21% (2010 £280,324 at 21%) which is made up of trading losses. A deferred tax asset has not been recognised at 31 March 2011 due to the uncertainty over the timing of its recoverability.

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (*Continued*)

7 Tangible assets

	Long leasehold buildings/ road/Island infrastructure £	Jetty £	Plant, fixtures and fittings £	Shipping £	Total £
<i>Cost or valuation</i>					
At 1 April 2010	2,870,423	1,244,081	506,458	838,747	5,459,709
Additions	43,204	-	14,995	-	58,199
Disposals	-	-	(11,178)	-	(11,178)
	<u>2,913,627</u>	<u>1,244,081</u>	<u>510,275</u>	<u>838,747</u>	<u>5,506,730</u>
At 31 March 2011					
<i>Depreciation</i>					
At 1 April 2010	777,981	360,770	444,862	837,723	2,421,336
Charge in year	126,746	49,072	26,139	562	202,519
Disposals	-	-	(11,178)	-	(11,178)
	<u>904,727</u>	<u>409,842</u>	<u>459,823</u>	<u>838,285</u>	<u>2,612,677</u>
At 31 March 2011					
<i>Net book value</i>					
At 31 March 2011	<u>2,008,900</u>	<u>834,239</u>	<u>50,452</u>	<u>462</u>	<u>2,894,053</u>
At 31 March 2010	<u>2,092,442</u>	<u>883,311</u>	<u>61,596</u>	<u>1,024</u>	<u>3,038,373</u>

8 Stocks

	2011 £	2010 £
Goods held for resale	145,107	149,053
Raw materials	17,633	6,777
	<u>162,740</u>	<u>155,830</u>

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

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

9 Debtors

	2011	2010
	£	£
Prepayments and accrued income	76,726	58,624
	<u> </u>	<u> </u>

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	84,774	188,771
Taxation and social security	13,362	15,660
Other creditors	5,511	6,206
Intercompany - The Landmark Trust	601,662	729,335
Accruals and deferred income	236,420	214,199
	<u> </u>	<u> </u>
	941,729	1,154,171
	<u> </u>	<u> </u>

11 Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Deferred income	1,664,460	1,771,001
	<u> </u>	<u> </u>

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 (Continued)

12 Share capital

	Authorised		
	2011	2010	
	Number	Number	
			2011
			£
			2010
			£
Ordinary shares of £1 each	100	100	100

	Allotted, called up and fully paid		
	2011	2010	
	Number	Number	
			2011
			£
			2010
			£
Ordinary shares of £1 each	100	100	100

13 Reserves

	Profit and loss account
	£
At 1 April 2010	142,649
Retained loss for year	(1,809)
At 31 March 2011	140,840

14 Reconciliation of movements in shareholder's funds

	2011	2010
	£	£
(Loss) / profit for the year	(1,809)	56,647
Net (reduction) / increase to shareholder's funds	(1,809)	56,647
Opening shareholder's funds	142,749	86,102
Closing shareholder's funds	140,940	142,749

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2011 *(Continued)*

15 Ultimate parent company

At 31 March 2011 the company's ultimate parent undertaking was The Landmark Trustee Company Limited, a company registered in England

16 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of The Landmark Trust