

Company registration 960421

The Lundy Company Limited

Report and Financial Statements

Year Ended

31 March 2012



THE LUNDY COMPANY LIMITED

Annual report and financial statements for the year ended 31 March 2012

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Directors

B E E Smith
N Mendoza

Secretary and registered office

S M Wilkinson, Shottesbrooke, Maidenhead, Berkshire SL6 3SW

Company number

960421

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RL16 0PA

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2012

The directors present their report together with the audited financial statements for the year ended 31 March 2012

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. Turnover for the year decreased on 2010/11 by approximately 3.5%. Visitor numbers to the Island were lower than the previous year with 10,537 day trippers (2010/11 – 11,386). Total attendance of all visitors was 15,578 (2010/11 – 16,884). Staying visitors at the properties on the Island totalled 5,041 (2010/11 – 5,498).

Weather throughout the year was worse than the previous season with the island suffering a notable lack of rainfall which resulted in water having to be imported. Summer sailings were affected by adverse weather, with 17% of all scheduled sailings affected. As a result, the third party standby helicopter service had to be chartered on 9 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 16 occasions (2010/11 – 11 occasions).

Island maintenance focused on the completion of a volunteer accommodation block which has replaced four existing caravans. "The Lodge" will enhance the island's conservation programme and allow winter volunteers to visit whilst providing a base for a permanent summer volunteer who will build the necessary experience to enter a career in conservation. Repairs to many of the island's historic walls were also undertaken with assistance from our colleagues from the National Trust. The Marisco tavern had a new airflow extraction system fitted to improve summer temperature control.

The island's supply ship underwent vital winter repairs during her annual dry dock to ensure she continues to meet current regulation. Work continued on the main landing jetty to replace the original fixings, many of which had deteriorated over the past ten years.

The conservation management plan was completed in summer 2011 and has been produced to help steer the island's conservation needs as well as supporting the farm in successfully joining a Higher Level Stewardship scheme with Natural England. The agreement is worth £770,000 over a 10 year period.

The proposed Atlantic Array windfarm is a concern and a threat to feeling of remoteness and isolation that one experiences on Lundy and we're watching developments carefully.

THE LUNDY COMPANY LIMITED

Report of the directors for the year ended 31 March 2012 *(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	(resigned 24 November 2011)
H R Cookson	(resigned 16 June 2011)
N F J Mendoza	(appointed 16 June 2011)

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 2012 *(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



Sheila Wilkinson
Secretary

Date 27 SEPTEMBER 2012

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 2012 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 2012 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

BDO LLP

Philip Rego (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex

Date *2 October 2012*

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 2012

	Notes	2012 £	2011 £
Turnover	2	1,976,185	2,049,931
Cost of sales		(873,543)	(879,645)
Gross profit		1,102,642	1,170,286
Administrative expenses		(1,489,545)	(1,460,548)
Other operating income		292,011	281,891
Profit on sale of fixed assets		-	1,600
Operating loss	5	(94,892)	(6,771)
Interest receivable		4,702	4,962
Retained loss for the year		(90,190)	(1,809)

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

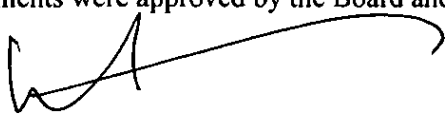
The notes on pages 8 to 14 form part of these financial statements

THE LUNDY COMPANY LIMITED**Balance sheet at 31 March 2012**

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	7	2,709,361	2,894,053
Current assets			
Stocks	8	175,575	162,740
Debtors	9	79,205	76,726
Cash at bank and in hand		53,906	29,845
		<u>308,686</u>	<u>269,311</u>
Creditors: amounts falling due within one year			
Payments received in advance		395,051	416,235
Creditors	10	1,014,562	941,729
		<u>1,409,613</u>	<u>1,357,964</u>
Net current liabilities		(1,100,927)	(1,088,653)
Total assets less current liabilities		1,608,434	1,805,400
Creditors: amounts falling due after more than one year	11	(1,557,684)	(1,664,460)
		<u>50,750</u>	<u>140,940</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	50,650	140,840
Shareholder's funds	14	50,750	140,940

The financial statements were approved by the Board and authorised for issue on 27 September 2012

Neil Mendoza
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 2012

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 2012

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

	2012 £	2011 £
Staff costs consist of		
Wages and salaries	708,214	679,729
Social security costs	54,164	54,377
Pensions	16,982	18,257
	<u>779,360</u>	<u>752,363</u>

The average number of employees, including directors and pensioners, during the year was 53 (2011 - 54) This is calculated on an actual headcount, rather than a full-time equivalent, basis

4 Directors

	2012 £	2011 £
Directors' emoluments	-	-

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

5 Operating loss

	2012 £	2011 £
This has been arrived at after charging/(crediting)		
Depreciation	197,867	202,519
Auditors' fees		
- audit fees	7,801	6,336
Profit on disposal of fixed assets	-	(1,600)
Release of deferred grants	(106,837)	(108,143)
	<u> </u>	<u> </u>

6 Taxation on loss from ordinary activities

	2012 £	2011 £
Taxation on loss on ordinary activities	-	-
	<u> </u>	<u> </u>

Factors affecting the current tax charge for the year

	2012 £	2011 £
Loss on ordinary activities before taxation	(90,190)	(1,809)
	<u> </u>	<u> </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21% (2011 21%)	(18,940)	(380)
Effects of		
Depreciation in excess of capital allowances	36,078	36,412
Non – taxable income	(22,436)	(23,046)
Gift Aid payments	1,042	(843)
Utilisation of tax losses	4,256	(12,143)
	<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 £266,345 at 21% (2011 £267,335 at 21%) which is made up of trading losses. A deferred tax asset has not been recognised at 31 March 2012 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 2012 (*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 2011	2,913,627	1,244,081	510,275	838,747	5,506,730
Additions	-	-	13,175	-	13,175
	<u>2,913,627</u>	<u>1,244,081</u>	<u>523,450</u>	<u>838,747</u>	<u>5,519,905</u>
At 31 March 2012	2,913,627	1,244,081	523,450	838,747	5,519,905
<i>Depreciation</i>					
At 1 April 2011	904,727	409,842	459,823	838,285	2,612,677
Charge in year	128,404	49,073	19,928	462	197,867
	<u>1,033,131</u>	<u>458,915</u>	<u>479,751</u>	<u>838,747</u>	<u>2,810,544</u>
At 31 March 2012	1,033,131	458,915	479,751	838,747	2,810,544
<i>Net book value</i>					
At 31 March 2012	<u>1,880,496</u>	<u>785,166</u>	<u>43,699</u>	<u>-</u>	<u>2,709,361</u>
At 31 March 2011	<u>2,008,900</u>	<u>834,238</u>	<u>50,452</u>	<u>462</u>	<u>2,894,053</u>

8 Stocks

	2012 £	2011 £
Goods held for resale	114,804	110,022
Raw materials	17,943	17,633
Livestock	42,828	35,085
	<u>175,575</u>	<u>162,740</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 2012 (Continued)****9 Debtors**

	2012	2011
	£	£
Trade debtors	36,080	39,586
Prepayments and accrued income	43,125	37,140
	<u>79,205</u>	<u>76,726</u>

10 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	106,485	84,774
Taxation and social security	30,371	13,362
Other creditors	3,978	5,511
Intercompany - The Landmark Trust	656,470	601,662
Accruals and deferred income	217,258	236,420
	<u>1,014,562</u>	<u>941,729</u>

11 Creditors: amounts falling due after more than one year

	2012	2011
	£	£
Deferred income	1,557,684	1,664,460
	<u>1,557,684</u>	<u>1,664,460</u>

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 *(Continued)*

12 Share capital

	2012 Number	Authorised 2011 Number	2012 £	2011 £
Ordinary shares of £1 each	100	100	100	100

	2012 Number	2011 Number	2012 £	2011 £
Ordinary shares of £1 each	100	100	100	100

13 Reserves

	Profit and loss account £
At 1 April 2011	140,840
Retained loss for year	(90,190)
At 31 March 2012	50,650

14 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Loss for the year	(90,190)	(1,809)
Net reduction to shareholder's funds	(90,190)	(1,809)
Opening shareholder's funds	140,940	142,749
Closing shareholder's funds	50,750	140,940

THE LUNDY COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 March 2012 *(Continued)*

15 Ultimate parent company

At 31 March 2012 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