LUCERNA LIMITED

Company No. 2906521

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH SEPTEMBER 2000



KINGSTON
SMITH
Chartered Accountants

Lucerna Limited
Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 30th September 2000.

Principal activity and business review
The principal activity of the company throughout the year was that of providing facilities to the general public at Kelmscott Manor, including admittance to the Manor and operation of a retail shop and tea room, under licence from the Society of Antiquaries of London.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results for the period and charitable donation
The results of the company for the year are set out on page 3. The company paid its profit on ordinary activities of £30,805 to the Society of Antiquaries of London under charitable deed of covenant.

Members liability
The company is limited by guarantee and does not have a share capital. The sole member of the company is the Society of Antiquaries of London, a company incorporated by Royal Charter. Its liability in the event of the winding up of the company is limited to £10.

Directors and their interests
The present directors of the company, together with any changes in directors, are shown on the front page of this report.

None of the directors have any interests in the result or assets of the company and receive no remuneration from the company or its parent undertaking.

Auditors
Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board

D. Morgan Evans
Secretary

Society of Antiquaries of London
Burlington House
Piccadilly
London
W1V 0HS

Date: 1st February 2001

Lucerna Limited
Directors' Responsibilities and Report of the Auditors

Statement of 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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' Report to the Members of Lucerna Limited

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention, and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kingston Smith

Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 1st February 2001

Lucerna Limited
Profit and Loss Account
For the year ended 30th September 2000

	Note	2000 £	1999 £
Turnover - continuing activities		178,932	170,934
Cost of sales		(67,321)	(52,983)
Gross profit		111,611	117,951
Administrative expenses		(73,330)	(68,393)
Operating profit- continuing activities	2	38,281	49,558
Payment under deed of covenant	3	(30,805)	(46,724)
Bank interest receviable	4	906	1,410
Interest payable to parent undertaking	5	(3,675)	(4,244)
Profit on ordinary activities before taxation		4,707	-
Taxation		-	-
Result for the financial period	10	4,707	-

There are no recognised gains or losses in the year other than the profit for the year.

Lucerna Limited
Balance Sheet at 30th September 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible assets	6		18,830		-
Current Assets					
Stock	7	43,622		47,154	
Debtors	8	-		2,351	
Cash at bank and in hand		66,281		48,513	
		109,903		98,018	
Creditors: Amounts falling due within one year	9	(124,501)		(98,493)	
Net Current Liabilities			(14,598)		(475)
Total Assets Less Current Liabilities			4,232		(475)
Reserves					
Profit and loss account	10		4,232		(475)

Approved by the board on 1st February 2001

D.F. Renn ..... Director

Lucerna Limited
Notes to the Financial Statements
For the year ended 30th September 2000

1 Principal Accounting Policies

Accounting basis and standards
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover
Turnover represents admission fees, goods sold and services provided net of value added tax.

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Fixtures and fittings	4 - 5 years

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

2 Operating Profit

The operating profit is stated after charging:

	2000	1999
	£	£
Auditors' remuneration	1,200	1,200
Depreciation - owned tangible fixed assets	4,708	-

3 Exceptional items

	2000	1999
	£	£
Payment under deed of covenant	30,805	46,724

4 Interest Receivable and Similar Income

	2000	1999
	£	£
Bank interest received	906	1,410

5 Interest Payable and Similar Charges

	2000	1999
	£	£
Interest payable to parent undertaking	3,675	4,244

Lucerna Limited
Notes to the Financial Statements
For the year ended 30th September 2000

6 **Tangible Assets**

	Fixtures and Fittings
	£
Cost	
At 1st October 1999	-
Additions	23,538
At 30th September 2000	23,538
Depreciation	
At 1st October 1999	-
Charge for the year	4,708
At 30th September 2000	4,708
Net Book Value	
At 30th September 2000	18,830

7 **Stocks**

	2000	1999
	£	£
Goods for resale	43,622	47,154

8 **Debtors**

	2000	1999
	£	£
Prepayments and accrued income	-	2,351

9 **Creditors: Amounts Falling Due Within One Year**

	2000	1999
	£	£
Trade creditors	3	1,858
Amounts owed to parent undertaking	122,028	52,780
Social security and other taxes	220	5,703
Unsecured loan from parent undertaking (see below)	-	35,000
Accruals and deferred income	2,250	3,152
	124,501	98,493

The loan from the parent undertaking carries interest at 3% above Lloyds Bank plc base rate and is repayable on demand.

10 **Reserves**

	2000	1999
	£	£
Profit and Loss Account		
At 1st October 1999	(475)	(475)
Result for the financial period	4,707	-
At 30th September 2000	4,232	(475)

11 Parent Undertaking and Related Party Transactions

The single member and ultimate controlling party at 30th September 2000 was the Society of Antiquaries of London, a registered charity incorporated by Royal Charter. Details of transactions with the Society of Antiquaries of London are as follows:

	2000	1999
	£	£
Deed of Covenant payment	30,805	46,724
Licence fee	51,403	51,403
Management charge	12,000	12,000
Interest payable	3,675	4,244
	97,883	114,371

Details of amounts owing to the Society of Antiquaries of London are shown in note 9 to the financial statements.