

Company Registration No. 00294275 (England and Wales)

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**PAGES FOR FILING WITH REGISTRAR**

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**COMPANY INFORMATION**

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**Directors**                      A N V Williams Esq  
   Mrs Z A Hall  
   S J C Williams Esq  
   Mr P H Reed

**Company number**              00294275

**Registered office**              The Lodge  
   The Old Vicarage  
   Lanhydrock  
   BODMIN  
   Cornwall  
   PL30 5AD

**Auditor**                          Phillips Frith LLP  
   9 Tregarne Terrace  
   St Austell  
   Cornwall  
   PL25 4DD

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**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
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**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**BALANCE SHEET**

**AS AT 31 DECEMBER 2017**

		<b>2017</b>		<b>2016</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	<b>5</b>		63,380		60,000
Tangible assets	<b>6</b>		130,841		130,887
Investment properties	<b>7</b>		16,153,224		12,997,761
Investments	<b>8</b>		3,100		100
			<u>16,350,545</u>		<u>13,188,748</u>
<b>Current assets</b>					
Debtors	<b>9</b>	1,086,385		166,803	
Cash at bank and in hand		258,281		54,463	
		<u>1,344,666</u>		<u>221,266</u>	
<b>Creditors: amounts falling due within one year</b>	<b>10</b>	<u>(1,224,919)</u>		<u>(1,074,454)</u>	
<b>Net current assets/(liabilities)</b>			<u>119,747</u>		<u>(853,188)</u>
<b>Total assets less current liabilities</b>			<u>16,470,292</u>		<u>12,335,560</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>11</b>		(6,211,318)		(461,661)
<b>Provisions for liabilities</b>	<b>13</b>		(986,580)		(1,166,971)
<b>Deferred income</b>	<b>14</b>		<u>(319,953)</u>		<u>(324,900)</u>
<b>Net assets</b>			<u><u>8,952,441</u></u>		<u><u>10,382,028</u></u>
<b>Capital and reserves</b>					
Called up share capital	<b>15</b>		365,407		365,407
Other reserves	<b>16</b>		36,418		36,418
Fair value reserve	<b>17</b>		8,314,494		8,310,590
Profit and loss reserves	<b>18</b>		<u>236,122</u>		<u>1,669,613</u>
<b>Total equity</b>			<u><u>8,952,441</u></u>		<u><u>10,382,028</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and with the provisions of FRS 102 Section 1A.

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2017***

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The financial statements were approved by the board of directors and authorised for issue on 13 June 2018 and are signed on its behalf by:

A N V Williams Esq

**Director**

**Company Registration No. 00294275**

**THE LANHYDROCK ESTATE COMPANY  
(UNLIMITED COMPANY HAVING A SHARE CAPITAL)  
NOTES TO THE FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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**1 Accounting policies**

**Company information**

The Lanhydrock Estate Company is a private unlimited company having a share capital. The registered office is The Lodge, The Old Vicarage, Lanhydrock, Bodmin, Cornwall, PL30 5AD.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fishing rights and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

**1.2 Consolidation**

The company is a parent company subject to the small companies regime.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

**1.3 Going concern**

The accounts have been prepared on the assumption that the company is able to carry on business as a going concern, which the directors consider appropriate. Further information is given in note 22 to the accounts.

**1.4 Turnover**

Turnover is recognised at the fair value of the shoot and rental income receivable, and is shown net of VAT and other sales related taxes.

**1.5 Intangible fixed assets**

No amortisation is provided on fishing rights as they have an infinite life and are held for investment purposes. As described in note 5, fishing rights are stated at fair value based on the valuation performed by an independent professional valuer in 2006, using open market value.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment	15% per annum on the reducing balance method
Motor vehicles	25% per annum on the reducing balance method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1 Accounting policies**

**(Continued)**

**1.7 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account. As described in note 7, investment properties are stated at fair value based on the valuation performed by an independent professional valuer, using market value as defined by RICS.

Where fair value cannot be ascertained without undue cost or effort, investment property is accounted for as tangible fixed assets.

Gains or losses arising from changes in the fair value of investment property are included in profit and loss for the period in which they arise.

**1.8 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**1.9 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.10 Financial Instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Classification of financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

***Debtors and creditors receivable/payable within one year***

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 Accounting policies**

**(Continued)**

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**2 Exceptional costs/(income)**

During the year, the company purchased 100% of the ordinary share capital of Lanhydrock Financial Services Limited for £1,251,352. A dividend in specie was approved by Lanhydrock Financial Services Limited and was settled by the transfer of a freehold property to The Lanhydrock Estate Company.

As a result of this transfer, the valuation of the subsidiary company was reduced to its nominal share value and this is reflected in the profit and loss account of the parent company, together with the dividend received.

**3 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 7 (2016 - 7).

**4 Taxation**

	2017	2016
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	30,967	1,157
	<u>          </u>	<u>          </u>



**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4 Taxation (Continued)**

<b>Deferred tax</b>		
Deferred tax (credit)/charge	(180,391)	730,940
	<u>          </u>	<u>          </u>
Total tax (credit)/charge	(149,424)	732,097
	<u>          </u>	<u>          </u>

The entity has unused tax losses of £64,479 (2016: £64,479) available for carry forward against future trading profits.

**5 Intangible fixed assets**

	<b>Fishing Rights</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 January 2017	60,000
Additions - separately acquired	3,380
	<u>          </u>
At 31 December 2017	63,380
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2017 and 31 December 2017	-
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2017	63,380
	<u>          </u>
At 31 December 2016	60,000
	<u>          </u>

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cost	16,470	13,090
Accumulated amortisation	-	-
	<u>          </u>	<u>          </u>
Carrying value	16,470	13,090
	<u>          </u>	<u>          </u>

The fishing rights were valued by Simon Alford of KVN Stockdale, Surveyors and Valuers at 1 August 2006 at open market value. The valuation was considered by the directors at 31 December 2017 and they are of the opinion that the valuation is reasonable.

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**6 Tangible fixed assets**

	Equipment	Motor vehicles	Total
	£	£	£
<b>Cost</b>			
At 1 January 2017	104,407	102,270	206,677
Additions	29,073	-	29,073
At 31 December 2017	133,480	102,270	235,750
<b>Depreciation and impairment</b>			
At 1 January 2017	24,746	51,044	75,790
Depreciation charged in the year	16,311	12,808	29,119
At 31 December 2017	41,057	63,852	104,909
<b>Carrying amount</b>			
At 31 December 2017	92,423	38,418	130,841
At 31 December 2016	79,661	51,226	130,887

The net book value of motor vehicles includes £24,432 (2016: £32,577) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £8,145 (2016: £10,859) for the year.

**7 Investment properties**

	2017 £
<b>Cost or valuation</b>	
At 1 January 2017	12,997,761
Additions	3,402,819
Disposals	(247,356)
At 31 December 2017	16,153,224

The majority of the investment properties held by the company were valued by Mr C Anderson MRICS FAAV of Savills on 5 May 2017 based on the market values. These values were adjusted in the accounts at 31 December 2016. The valuation of the remaining investment properties held at 31 December 2016 was considered by the directors last year, who were of the opinion that the value of these properties at 31 December 2015 totalling £2,765,433 should be increased to £3,072,117 at 31 December 2016. The valuation of all investment properties was considered by the directors at 31 December 2017 and they are of the opinion the valuation is reasonable.

If stated under historical cost principles, the comparable amount for land and buildings would be 2017: £7,037,481 (2016: £3,702,282).

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**8 Investments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Shares in group undertaking	3,100	100

The company holds 100% of the allotted ordinary share capital of Lanhydrock Building Services (Treffry) Ltd, incorporated in the United Kingdom. The registered office is The Lodge, The Old Vicarage, Lanhydrock, Bodmin, Cornwall, PL30 5AD.

In the year ended 31 December 2017 the company acquired 100% of the allotted ordinary share capital of Lanhydrock Financial Services Limited. The registered office is The Lodge, The Old Vicarage, Lanhydrock, Bodmin, Cornwall, PL30 5AD.

**9 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	46,013	39,173
Amounts due from group undertakings	-	44,900
Prepayments, accrued income and other debtors	1,040,372	82,730
	<u>1,086,385</u>	<u>166,803</u>

**10 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans (secured)	6,000	6,000
Bank overdraft (secured)	121,594	50,928
Trade creditors	34,809	18,721
Net obligations under hire purchase contracts	6,835	8,591
Corporation tax	30,967	1,157
Other taxation and social security	1,274	684
Directors' loan	739,567	703,000
Accruals and deferred income	101,682	99,868
Other creditors	182,191	185,505
	<u>1,224,919</u>	<u>1,074,454</u>

The bank loan and overdraft are secured over the following properties and land owned by the company: land at Polmaugan and Brownqueen Farm, Higher Bofarnel Farm, Dreason Cottage, Treffry Farm and Cottages, Dreason Farm, Ford Farm, Tredinnick Farm and House, Bofarnel Farm, Polmaugan Farmhouse, Princetown Lodge and 1,2 and 3 Dreason Barns.

Furthermore, Mr ANV Williams (director) has provided a personal guarantee of £250,000.

Hire purchase and finance lease agreements are secured against the assets to which they relate.

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**11 Creditors: amounts falling due after more than one year**

	Notes	2017 £	2016 £
Bank loans and overdrafts		5,934,841	134,576
Obligations under finance leases		12,235	19,069
Other creditors		264,242	308,016
		<u>6,211,318</u>	<u>461,661</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	139,698	175,071
	<u>139,698</u>	<u>175,071</u>

**12 Provisions for liabilities**

		2017 £	2016 £
Deferred tax liabilities	13	986,580	1,166,971
		<u>986,580</u>	<u>1,166,971</u>

**13 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	17,994	19,380
Tax losses available	(10,961)	(12,251)
Tax on potential gain on fair value reserve (see note 18)	979,547	1,159,842
	<u>986,580</u>	<u>1,166,971</u>
<b>Movements in the year:</b>		2017 £
Liability at 1 January 2017		1,166,971
Credit to profit or loss		(57,655)
Effect of change in tax rate - profit or loss		(122,736)
		<u>986,580</u>
Liability at 31 December 2017		<u>986,580</u>

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**14 Deferred income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2017	334,393	339,340
Released to profit and loss account	(14,440)	(14,440)
	<u>319,953</u>	<u>324,900</u>
Balance at 31 December 2017	<u><u>319,953</u></u>	<u><u>324,900</u></u>

**15 Called up share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
365,407 Ordinary shares of £1 each	365,407	365,407
	<u>365,407</u>	<u>365,407</u>
	<u><u>365,407</u></u>	<u><u>365,407</u></u>

**16 Other reserve**

	<b>£</b>
At 1 January 2016	36,418
At 31 December 2016	<u>36,418</u>
At 31 December 2017	<u><u>36,418</u></u>

The other reserve represents the surplus of the fair value of assets acquired from Lanhydrock Estate Company (Channel Islands) Limited over the consideration given for them by the Lanhydrock Estate Company on their acquisition in 1991.

Surpluses are realised and transferred from the reserve when assets are disposed of.

**17 Fair value reserve**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
At 1 January 2017	8,310,590	5,018,965
On disposal of property	(176,391)	-
Transfer from profit and loss reserve	180,295	3,291,625
	<u>8,314,494</u>	<u>8,310,590</u>
At 31 December 2017	<u><u>8,314,494</u></u>	<u><u>8,310,590</u></u>

The deferred tax on the potential gains recognised in the fair value reserve has been included in the deferred tax liability (see note 15) at the year end. Such tax would become payable only if the properties were sold.

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**18 Profit and loss reserves**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
At the beginning of the year	1,669,613	1,626,193
Profit for the year	396,804	3,335,045
Dividends declared and paid in the year	(1,650,000)	-
Transfer to reserves	(180,295)	(3,291,625)
	<u>236,122</u>	<u>1,669,613</u>
At the end of the year	<u>236,122</u>	<u>1,669,613</u>

**19 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Ian Chalmers.

The auditor was Phillips Frith LLP.

**20 Related parties**

**The ultimate controlling party**

Throughout the year the ultimate parent company was Magnitude Holdings Limited, incorporated in the Channel Islands. Its registered office is No. 1 Seaton Place, St Helier, Jersey, Channel Islands. The directors have no connection with Magnitude Holdings Limited.

**Transactions**

During the year the company entered into transactions with related parties as follows:

Mr A N V Williams (director), who is the sole proprietor of Lanhydrock Farm Partnership, provided a loan to the company in previous years. The loan outstanding at 31 December 2017 was £445,868 (2016: £491,742).

Included in other creditors are the following amounts owed to the directors of the company, arising from transactions between the company and the directors: £739,567 (2016: £445,000) owing to Mr A N V Williams. The loan is repayable on demand.

**21 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Acquisition of tangible fixed assets	<u>-</u>	<u>955,000</u>

**THE LANHYDROCK ESTATE COMPANY**  
**(UNLIMITED COMPANY HAVING A SHARE CAPITAL)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 DECEMBER 2017***

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**22 Future trading and the current economic environment**

The nature of the company's activities means that the income generated is predictable year on year. There are no concerns over the future financing of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.