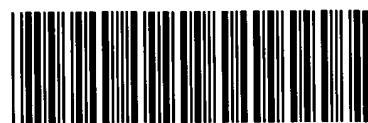


**Company Registration No. 00789512 (England and Wales)**

**Longleat Enterprises Limited**

**Annual report and  
consolidated financial statements  
for the year ended 31 December 2016**

THURSDAY



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COMPANIES HOUSE

## **Longleat Enterprises Limited**

### **Company information**

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<b>Directors</b>	Viscount Weymouth Albemarle Cator Robert Montgomery Johan Eliasch Janie Schaffer	(Appointed 1 December 2016) (Appointed 30 June 2017)
<b>Company number</b>	00789512	
<b>Registered office</b>	Longleat Estate Office Longleat Warminster Wiltshire BA12 7NW	
<b>Independent auditors</b>	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ	
<b>Solicitors</b>	Smith & Williamson LLP Old Library Chambers 21 Chipper Lane Salisbury Wiltshire SP1 1BG	

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## **Longleat Enterprises Limited**

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## Longleat Enterprises Limited

### Strategic report

For the year ended 31 December 2016

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The directors present the strategic report for the year ended 31 December 2016.

#### Fair review of the business

Longleat Enterprises Limited ("Longleat" or "LEL") is pleased to provide the following review of its annual accounts for the year ended 31 December 2016. During the year Longleat continued its strong growth in turnover and profits.

#### Highlights 2016

- Consolidated turnover increased by 6% to £31.9m in 2016
- EBITDA increased by 29% to £6.6m in 2016
- Profit before depreciation increased by 30% in 2016 to £6.4m
- 2016 visitor numbers for the combined Longleat Safari and Adventure Park and Cheddar Gorge businesses increased by 3% to 1.1m
- The seasonal events strategy started in 2014 was important in our performance with the African Summer events, Sky Safari and Christmas Festival of Light proving to be successful contributors to revenue and profit
- Strong asset-backed balance sheet continued to be strengthened
- Successful return of the BBC's "Animal Park" series, which has been important to Longleat in terms of raising awareness and goodwill. When aired it delivered the highest viewership in its timeslot.

#### Highlights 2013-2016

The table below highlights the excellent improvements in business performance over the last four years, with revenues increasing and a focus on maintaining costs at affordable levels. Such an improvement has allowed the business to invest in its infrastructure and implement a staff bonus scheme.

	2016	2015	2014	2013
	£	£	£	£
Turnover	31,934,635	30,046,890	27,041,224	24,868,211
Operating Profit	3,533,242	1,890,803	1,061,077	942,780
<b>EBITDA</b>	<b>6,561,041</b>	<b>5,105,015</b>	<b>4,044,476</b>	<b>1,051,474</b>

Ceawlin Weymouth, chairman of Longleat Enterprises Limited, said, "I am delighted to report that in the year when Longleat Safari Park celebrated its 50<sup>th</sup> Anniversary we were able to deliver record figures in terms of turnover and attendances. We have continued to strengthen our management team, which has had a favorable effect upon our key metrics, and EBITDA is increasing at an immensely pleasing rate. Attendance continues to grow and the awareness of the Longleat brand is broadening with our increased media profile. Plans are in place to continue building upon this success over the medium and long term, both with existing on-site operations and also new business developments."

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**Longleat Enterprises Limited**

**Strategic report (continued)**

**For the year ended 31 December 2016**

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**Principal risks and uncertainties**

There are a number of risks and uncertainties that face the business, and to this end there is a risk management strategy in place which is reviewed regularly and reports to the board at least annually. The strategy assesses and categorises the risks and uncertainties to which the business is exposed and details risk reduction actions and remedies.

The group has risk policies and committees/working parties to cover health and safety along with animal and staff welfare.

**Credit risk**

LEL takes care in approving credit worthiness of major new credit customers, and existing relationships are periodically reviewed.

**Liquidity**

LEL seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

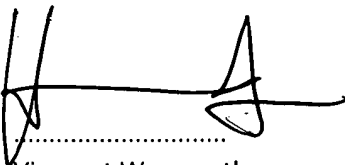
**Interest rate risk**

The sole borrowings of the group relate to the acquisition of the Bishopstrow hotel. The board closely monitors this loan and in view of the short period to repayment consider this risk to be mitigated.

**Key performance indicators**

The key performance indicators of the tourist attraction side of the business include visitor numbers, turnover per visitor, turnover per employee and guest satisfaction scores. The key performance indicators for the hotels side of the business include occupancy rates, average room rate, revenue per available room and spend per head.

On behalf of the board



.....  
Viscount Weymouth  
Director

.....  
27 JULY 2017



.....  
Robert Montgomery  
Director

.....  
27 JULY 2017

## **Longleat Enterprises Limited**

### **Directors' report**

**For the year ended 31 December 2016**

---

The directors present their annual report and financial statements for the year ended 31 December 2016.

#### **Principal activities**

The principal activity of the company continued to be that of the management of tourist attractions at Longleat, cave exhibiting at Cheddar Gorge and management of subsidiary companies whose principal activities are that of hotel operators and public house.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Viscount Weymouth

Albemarle Cator

Richard Parry

(Resigned 2 June 2016)

Timothy Moore

(Resigned 31 December 2016)

Robert Montgomery

Johan Eliasch

(Appointed 1 December 2016)

Janie Schaffer

(Appointed 30 June 2017)

#### **Results and dividends**

The results for the year are set out on page 7.

The directors' report does not include a fair review of the business, details of the risks and uncertainties and future developments, as this information is documented within the Strategic Report as required under s414C (11).

No preference dividends were paid. The directors do not recommend payment of a final dividend.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of an incentive scheme as a means of further encouraging the involvement of employees in the company's performance.

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## Longleat Enterprises Limited

### Directors' report (continued)

For the year ended 31 December 2016

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#### Future developments

Sustained reinvestment continues across all of the businesses into 2016 and beyond, to enhance the visitor experience, increase visitor numbers and profitability.

#### Auditors

Saffery Champness LLP have expressed their willingness to remain in office as auditors of Longleat Enterprises Limited.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

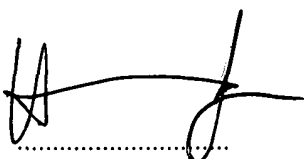
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent 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 group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditors

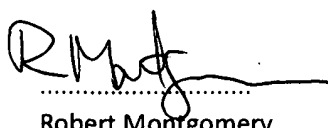
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Viscount Weymouth  
Director

27 July 2017



Robert Montgomery  
Director

27 July 2017

## **Longleat Enterprises Limited**

### **Independent auditors' report**

#### **To the members of Longleat Enterprises Limited**

---

We have audited the financial statements of Longleat Enterprises Limited for the year ended 31 December 2016 set out on pages 7 to 37. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditors' 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 Directors' Responsibilities Statement set out on pages 3 - 4, 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of its profit 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 matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



**Longleat Enterprises Limited**

**Independent auditors' report (continued)**

**To the members of Longleat Enterprises Limited**

---

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

*Saffery Champness LLP*

**David Lemon (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness LLP**

*28/7/17*  
.....

**Chartered Accountants**  
**Statutory Auditors**

St Catherine's Court  
Berkeley Place  
Clifton  
Bristol  
BS8 1BQ

**Longleat Enterprises Limited**

**Consolidated statement of total comprehensive income**  
**For the year ended 31 December 2016**

	Notes	2016 £	2015 £
Turnover	3	31,934,635	30,046,890
Cost of sales		(9,443,349)	(8,527,491)
<b>Gross profit</b>		<b>22,491,286</b>	<b>21,519,399</b>
Administrative expenses		(19,627,219)	(20,077,059)
Other operating income		669,175	621,158
Exceptional item	4	-	(172,695)
<b>Operating profit</b>	5	<b>3,533,242</b>	<b>1,890,803</b>
Interest receivable and similar income	9	7,906	24,344
Interest payable and similar expenses	10	(212,741)	(202,892)
Fair value gains and losses on investment properties	11	-	1,210,061
<b>Profit before taxation</b>		<b>3,328,407</b>	<b>2,922,316</b>
Taxation	12	(993,283)	(1,883,751)
<b>Profit for the financial year</b>	30	<b>2,335,124</b>	<b>1,038,565</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,335,124</b>	<b>1,038,565</b>

Total comprehensive income for the year is all attributable to the owners of the parent company.

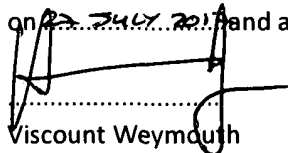
The income statement has been prepared on the basis that all operations are continuing operations.

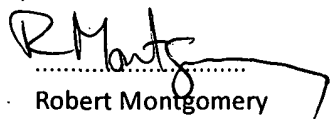
**Longleat Enterprises Limited**

**Consolidated statement of financial position  
As at 31 December 2016**

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	14		18,590		170,408
Tangible assets	15		24,846,558		23,896,347
Investment properties	16		2,165,000		2,165,000
Investments	17		23,001		23,001
			<u>27,053,149</u>		<u>26,254,756</u>
<b>Current assets</b>					
Stocks	19	657,664		582,674	
Debtors	20	3,063,981		2,438,750	
Cash at bank and in hand		6,279,362		8,588,625	
			<u>10,001,007</u>	<u>11,610,049</u>	
<b>Creditors: amounts falling due within one year</b>	21	(7,189,500)		(14,249,528)	
<b>Net current assets/(liabilities)</b>			<u>2,811,507</u>		<u>(2,639,479)</u>
<b>Total assets less current liabilities</b>			<u>29,864,656</u>		<u>23,615,277</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(7,037,499)		(194,329)
<b>Provisions for liabilities</b>	24		(441,273)		(381,262)
<b>Net assets</b>			<u>22,385,884</u>		<u>23,039,686</u>
<b>Capital and reserves</b>					
Called up share capital	26		7,021,074		10,010,000
Share premium account	27		900,000		900,000
Revaluation reserve	28		1,308,079		1,308,079
Capital redemption reserve	29		2,988,926		-
Profit and loss reserves	30		10,167,805		10,821,607
<b>Total equity</b>			<u>22,385,884</u>		<u>23,039,686</u>

The financial statements were approved by the board of directors and authorised for issue on 22 July 2017 and are signed on its behalf by:

  
Viscount Weymouth  
Director

  
Robert Montgomery  
Director

**Longleat Enterprises Limited**

**Company statement of financial position  
As at 31 December 2016**

	Notes	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	14		18,590		170,408
Tangible assets	15		16,415,302		15,246,673
Investment properties	16		2,165,000		2,165,000
Investments	17		2,974,101		2,974,101
			<u>21,572,993</u>		<u>20,556,182</u>
<b>Current assets</b>					
Stocks	19	556,960		491,076	
Debtors	20	3,847,727		2,617,399	
Cash at bank and in hand		5,515,374		8,045,269	
			<u>9,920,061</u>	<u>11,153,744</u>	
<b>Creditors: amounts falling due within one year</b>	21	(5,701,757)		(8,575,524)	
<b>Net current assets</b>			<u>4,218,304</u>		<u>2,578,220</u>
<b>Total assets less current liabilities</b>			<u>25,791,297</u>		<u>23,134,402</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(3,081,665)		-
<b>Provisions for liabilities</b>	24		(350,405)		(303,827)
<b>Net assets</b>			<u><u>22,359,227</u></u>		<u><u>22,830,575</u></u>
<b>Capital and reserves</b>					
Called up share capital	26		7,021,074		10,010,000
Share premium account	27		900,000		900,000
Revaluation reserve	28		1,308,079		1,308,079
Capital redemption reserve	29		2,988,926		-
Profit and loss reserves	30		10,141,148		10,612,496
<b>Total equity</b>			<u><u>22,359,227</u></u>		<u><u>22,830,575</u></u>

As permitted by section 408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The parent company's profit for the year was £2,517,578 (2015 - £980,076).

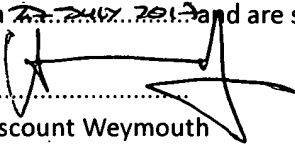
**Longleat Enterprises Limited**

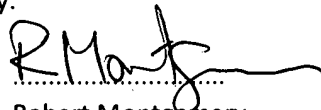
**Company statement of financial position (continued)**

**As at 31 December 2016**

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The financial statements were approved by the board of directors and authorised for issue on ~~23.10.2017~~ and are signed on its behalf by:

  
.....  
Viscount Weymouth  
Director

  
.....  
Robert Montgomery  
Director

**Company Registration No. 00789512**

**Longleat Enterprises Limited**

**Consolidated statement of changes in equity  
For the year ended 31 December 2016**

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		10,010,000	900,000	-	-	11,091,121	22,001,121
<b>Year ended 31 December 2015:</b>							
Profit and total comprehensive income for the year		-	-	-	-	1,038,565	1,038,565
Transfers		-	-	1,308,079	-	(1,308,079)	-
<b>Balance at 31 December 2015</b>		10,010,000	900,000	1,308,079	-	10,821,607	23,039,686
<b>Year ended 31 December 2016:</b>							
Profit and total comprehensive income for the year		-	-	-	-	2,335,124	2,335,124
Redemption of shares	26	(2,988,926)	-	-	2,988,926	(2,988,926)	(2,988,926)
<b>Balance at 31 December 2016</b>		7,021,074	900,000	1,308,079	2,988,926	10,167,805	22,385,884

**Longleat Enterprises Limited**

**Company statement of changes in equity  
For the year ended 31 December 2016**

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£	£
<b>Balance at 1 January 2015</b>	10,010,000	900,000	-	-	10,940,499	21,850,499
<b>Year ended 31 December 2015:</b>						
Loss and total comprehensive income for the year	-	-	-	-	980,076	980,076
Transfers	-	-	1,308,079	-	(1,308,079)	-
<b>Balance at 31 December 2015</b>	10,010,000	900,000	1,308,079	-	10,612,496	22,830,575
<b>Year ended 31 December 2016:</b>						
Loss and total comprehensive income for the year	-	-	-	-	2,517,578	2,517,578
Redemption of shares	26 (2,988,926)	-	-	2,988,926	(2,988,926)	(2,988,926)
<b>Balance at 31 December 2016</b>	7,021,074	900,000	1,308,079	2,988,926	10,141,148	22,359,227

**Longleat Enterprises Limited**

**Consolidated statement of cash flows**  
**For the year ended 31 December 2016**

		2016	2015
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	37	5,588,389	5,514,571
Interest paid		(112,741)	(122,892)
Income taxes paid		(523,758)	(1,422,999)
<b>Net cash inflow from operating activities</b>		<u>4,951,890</u>	<u>3,968,680</u>
<b>Investing activities</b>			
Payments in relation to intangible assets		(50,000)	(234,990)
Purchase of tangible fixed assets		(3,826,192)	(2,266,636)
Proceeds on disposal of tangible fixed assets		-	28,439
Interest received		7,906	24,344
<b>Net cash used in investing activities</b>		<u>(3,868,286)</u>	<u>(2,448,843)</u>
<b>Financing activities</b>			
Purchase of own shares		(2,988,926)	-
Proceeds from borrowings		-	1,081,665
Repayment of bank loans		(403,941)	(402,009)
<b>Net cash (used in)/generated from financing activities</b>		<u>(3,392,867)</u>	<u>679,656</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(2,309,263)</u>	<u>2,199,493</u>
Cash and cash equivalents at beginning of year		<u>8,588,625</u>	<u>6,389,132</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>6,279,362</u></u>	<u><u>8,588,625</u></u>



## **Longleat Enterprises Limited**

### **Notes to the financial statements For the year ended 31 December 2016**

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#### **1 Accounting policies**

##### **Company information**

Longleat Enterprises Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Longleat Estate Office, Longleat, Warminster, Wiltshire, BA12 7NW.

The group consists of Longleat Enterprises Limited and all of its subsidiaries.

##### **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.

The financial statements are prepared in sterling, which is the functional currency of the company.

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

##### **1.2 Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to ended 31 December each year. The results of subsidiaries acquired or sold are included in the profit and loss account up to, or from the date control passes. Where a subsidiary has difference accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing consolidated financial statements. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

##### **1.3 Going concern**

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.4 Turnover**

Revenue from retail sales is recognised at the date of sale, net of VAT.

Revenue from ticket sales is recognised when the company has substantially performed all its obligations under the terms of the ticket.

Rental income received under operating leases is recognised in the profit and loss account over the term of the underlying lease.

Turnover derived from the hotel trading companies represents revenue from room sales, food and beverage, spa treatments, spa retail and other sundry sales net of VAT and trade discounts. The income is recognised in the profit and loss account when it is receivable.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**1 Accounting policies (continued)**

**1.5 Intangible fixed assets other than goodwill**

Licences are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful lives of the licences.

**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:

Land and buildings freehold	2 - 20% on cost
Land and buildings leasehold	2 - 14% on cost
Plant and machinery	10 - 20% on cost
Fixtures, fittings & equipment	5 - 33.3% on cost
Motor vehicles	10 - 20% on cost
Animals	10% on cost

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 recognised in the income statement.

The directors have reviewed the assets held by Longleat Enterprises Limited and are of the opinion that the works of art and similar assets are not maintained principally for their contribution to knowledge and culture, but do further the commercial and enterprise of the company. For this reason they are accounted for as Tangible Fixed Assets under section 17 of FRS 102.

Natural mazes are depreciated over 20 years from the date they are brought into use.

**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 income statement.

**1.8 Impairment of fixed assets**

At each reporting end date, the group 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 Accounting policies (continued)**

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**1.9 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**1.10 Cash and cash equivalents**

Cash and cash equivalents 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.

**1.11 Financial instruments**

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**1 Accounting policies (continued)**

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

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**1 Accounting policies (continued)**

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

**1.13 Taxation**

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

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 group'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 taxation is provided in full respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**1 Accounting policies (continued)**

**1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.15 Retirement benefits**

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

**1.16 Leases**

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.17 Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Notes to the financial statements (continued)

For the year ended 31 December 2016

**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In preparing these financial statements the directors have made the following significant judgements and estimates. Income from sales of Longleat Annual Passes is recognised in full at the time of sale, as the directors are satisfied that there is only minimal costs associated with each on-going visit by the Annual Pass holder. This situation is reviewed at each year end.

**3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	2016	2015
	£	£
<b>Turnover</b>		
Attractions and leisure	26,204,101	24,312,262
Hotels	5,730,534	5,734,628
	<u>31,934,635</u>	<u>30,046,890</u>
 <b>Other significant revenue</b>		
Interest income	7,906	24,344
Grants received	43,831	18,563
Rental income	145,105	123,765
Management fees	417,042	354,432
Sundry income	62,532	124,398
	<u>625,416</u>	<u>645,502</u>

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**Longleat Enterprises Limited****Notes to the financial statements (continued)****For the year ended 31 December 2016**

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<b>4</b>	<b>Exceptional costs</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Donation to The Longleat Charitable Trust	-	172,695

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There were no exceptional costs during the year. In the prior year Longleat Enterprises Limited made a donation in relation to costs incurred for the construction of a new elephant enclosure on behalf of The Longleat Charitable Trust, an entity with common directors and trustees.

<b>5</b>	<b>Operating profit</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	(43,831)	(18,563)
	Fees payable to the company's auditors for the audit of the company's financial statements	50,000	55,000
	Depreciation of owned tangible fixed assets	2,875,981	2,889,015
	Impairment of owned tangible fixed assets	-	300,853
	Profit on disposal of tangible fixed assets	(1,502)	(20,850)
	Amortisation of intangible assets	151,818	171,359
	Cost of stocks recognised as an expense	4,303,940	4,080,527
	Operating lease charges	1,267,794	1,126,983

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<b>6</b>	<b>Auditors' remuneration</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditors and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	24,000	28,000
	Audit of the company's subsidiaries	26,000	27,000
		50,000	55,000

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**Longleat Enterprises Limited****Notes to the financial statements (continued)****For the year ended 31 December 2016****7 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	2016 Number	2015 Number
In trading activities	640	651
In administration	67	67
	<u>707</u>	<u>718</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	10,335,291	9,621,739
Social security costs	686,542	658,568
Pension costs	285,270	298,794
	<u>11,307,103</u>	<u>10,579,101</u>

Redundancy payments in the year amounted to £40,722 (2015 - £85,869).

**8 Directors' remuneration**

	2016 £	2015 £
Remuneration for qualifying services	260,831	479,999
Company pension contributions to defined contribution schemes	10,850	10,850
	<u>271,681</u>	<u>490,849</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**8 Directors' remuneration (continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	147,000	240,350
Company pension contributions to defined contribution schemes	10,850	10,850
	<u>          </u>	<u>          </u>

**9 Interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	7,906	24,344
	<u>          </u>	<u>          </u>

**10 Interest payable and similar expenses**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	112,741	122,880
<b>Other finance costs:</b>		
Other interest	100,000	80,012
	<u>          </u>	<u>          </u>
Total finance costs	212,741	202,892
	<u>          </u>	<u>          </u>

**11 Fair value movements**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Changes in the fair value of investment properties	-	1,210,061
	<u>          </u>	<u>          </u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

**12 Taxation**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	925,736	660,216
Adjustments in respect of prior periods	7,536	1,046,483
<b>Total current tax</b>	<b>933,272</b>	<b>1,706,699</b>
<b>Origination and reversal of timing differences</b>	<b>60,011</b>	<b>177,052</b>
<b>Total deferred tax</b>	<b>60,011</b>	<b>177,052</b>
<b>Total tax charge</b>	<b>993,283</b>	<b>1,883,751</b>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Profit before taxation</b>	<b>3,328,407</b>	<b>2,922,316</b>
<b>Expected tax charge based on a corporation tax rate of 20.00%</b>	<b>665,681</b>	<b>591,769</b>
<b>Tax effect of expenses that are not deductible in determining taxable profit</b>	<b>1,916</b>	<b>5,184</b>
<b>Adjustments in respect of prior years</b>	<b>7,536</b>	<b>(32,985)</b>
<b>Group relief</b>	<b>-</b>	<b>7,049</b>
<b>Depreciation on assets not qualifying for tax allowances</b>	<b>321,411</b>	<b>302,609</b>
<b>Other non-reversing timing differences</b>	<b>2,507</b>	<b>94,041</b>
<b>Change in rate applied to deferred tax</b>	<b>1,108</b>	<b>(31,137)</b>
<b>Exceptional tax cost</b>	<b>-</b>	<b>1,079,468</b>
<b>Deferred tax on investment properties</b>	<b>(6,876)</b>	<b>112,790</b>
<b>Effective rate applied to fair value increase</b>	<b>-</b>	<b>(245,037)</b>
<b>Tax expense for the year</b>	<b>993,283</b>	<b>1,883,751</b>

In the prior year there was a tax charge for an exceptional payment of £1,079,468 in settlement of a HMRC inquiry relating to deductions for corporation tax for the year ended 31 December 2006.

**Longleat Enterprises Limited****Notes to the financial statements (continued)****For the year ended 31 December 2016****13 Impairments**

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2016 £	2015 £
Recognised in:		
Administrative expenses	-	328,993

In the prior year the directors recognised impairments of £282,386 in relation to extensive dilapidation on a property and £46,607 in relation to assets held in Longleat Bishopstrow Limited.

**14 Intangible fixed assets**

Group and Company	Licenses £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	770,134
<b>Amortisation and impairment</b>	
At 1 January 2016	599,726
Amortisation charged for the year	151,818
At 31 December 2016	751,544
<b>Carrying amount</b>	
At 31 December 2016	18,590
At 31 December 2015	170,408

Longleat Enterprises Limited

Notes to the financial statements (continued)  
For the year ended 31 December 2016

15 Tangible fixed assets

Group	Land and buildings freehold	Land and buildings leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Animals	Total
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 January 2016	10,389,148	17,836,495	918,820	4,540,678	6,665,737	1,837,970	300,659	42,489,507
Additions	102,497	831,134	1,803,450	869,171	178,856	41,084	-	3,826,192
Disposals	-	-	-	-	-	(58,119)	-	(58,119)
Transfer to held for sale	-	1,983,003	(2,722,270)	739,267	-	-	-	-
At 31 December 2016	10,491,645	20,650,632	-	6,149,116	6,844,593	1,820,935	300,659	46,257,580
<b>Depreciation and impairment</b>								
At 1 January 2016	1,967,601	5,960,572	-	3,973,063	5,255,768	1,285,812	150,344	18,593,160
Depreciation charged in the year	257,232	1,349,827	-	404,751	643,876	190,232	30,063	2,875,981
Eliminated in respect of disposals	-	-	-	-	-	(58,119)	-	(58,119)
At 31 December 2016	2,224,833	7,310,399	-	4,377,814	5,899,644	1,417,925	180,407	21,411,022
<b>Carrying amount</b>								
At 31 December 2016	8,266,812	13,340,233	-	1,771,302	944,949	403,010	120,252	24,846,558
At 31 December 2015	8,421,547	11,875,923	918,820	567,615	1,409,969	552,158	150,315	23,896,347

Longleat Enterprises Limited

Notes to the financial statements (continued)  
For the year ended 31 December 2016

15 Tangible fixed assets (continued)

Company	Land and buildings freehold	Land and buildings leasehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Animals	Total
	£	£	£	£	£	£	£	£
<b>Cost</b>								
At 1 January 2016	2,585,895	16,499,835	918,820	4,447,242	5,837,563	1,837,970	300,659	32,427,984
Additions	102,497	735,544	1,803,450	866,671	126,699	41,084	-	3,675,945
Disposals	-	-	-	-	-	(58,119)	-	(58,119)
Transfer to held for sale	-	1,983,003	(2,722,270)	739,267	-	-	-	-
At 31 December 2016	2,688,392	19,218,382	-	6,053,180	5,964,262	1,820,935	300,659	36,045,810
<b>Depreciation and impairment</b>								
At 1 January 2016	1,325,913	5,849,986	-	3,901,243	4,668,013	1,285,812	150,344	17,181,311
Depreciation charged in the year	101,167	1,308,739	-	387,142	489,973	190,232	30,063	2,507,316
Eliminated in respect of disposals	-	-	-	-	-	(58,119)	-	(58,119)
At 31 December 2016	1,427,080	7,158,725	-	4,288,385	5,157,986	1,417,925	180,407	19,630,508
<b>Carrying amount</b>								
At 31 December 2016	1,261,312	12,059,657	-	1,764,795	806,276	403,010	120,252	16,415,302
At 31 December 2015	1,259,982	10,649,849	918,820	545,999	1,169,550	552,158	150,315	15,246,673

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**16 Investment property**

	<b>Group</b>	<b>Company</b>
	<b>2016</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Fair value</b>		
At 1 January 2016 and 31 December 2016	2,165,000	2,165,000

Investment property comprises of various properties owned by Longleat Enterprises Limited which are now primarily held to earn rentals and for capital appreciation.

The fair value of the investment properties have been arrived at on the basis of valuations carried out by Colliers International Valuation UK LLP, Annagram Estates Ltd and Michael Birnie depending on the size and complexity of the property valued. All independent valuers are MRICS or MARLA qualified and have been deemed to be sufficiently competent to value each specific property.

The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The most recent full external valuation took place between March and July 2016 and the directors are of the opinion that this is reflective of the fair value at 31 December 2016.

**17 Fixed asset investments**

		<b>Group</b>		<b>Company</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in subsidiaries	<b>35</b>	-	-	2,951,100	2,951,100
Unlisted investments		23,001	23,001	23,001	23,001
		<u>23,001</u>	<u>23,001</u>	<u>2,974,101</u>	<u>2,974,101</u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**17 Fixed asset investments (continued)**

**Movements in fixed asset investments**  
**Group**

**Shares**  
**£**

**Cost or valuation**

At 1 January 2016 & 31 December 2016

23,001

**Carrying amount**

At 31 December 2016

23,001

At 31 December 2015

23,001

**Movements in fixed asset investments**  
**Company**

**Shares**  
**£**

**Cost or valuation**

At 1 January 2016 & 31 December 2016

2,974,101

**Carrying amount**

At 31 December 2016

2,974,101

At 31 December 2015

2,974,101

**18 Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,710,499	1,480,309	2,642,172	1,803,185
Equity instruments measured at cost less impairment	23,001	23,001	2,974,101	2,974,101
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	12,617,053	13,103,654	7,459,989	7,559,677



**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**19 Stocks**

	<b>Group</b>	<b>2015</b>	<b>Company</b>	<b>2015</b>
	<b>2016</b>		<b>2016</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	657,664	582,674	556,960	491,076

**20 Debtors**

	<b>Group</b>	<b>2015</b>	<b>Company</b>	<b>2015</b>
	<b>2016</b>		<b>2016</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	584,042	679,418	460,820	487,084
Corporation tax recoverable	-	5,676	-	-
Amounts due from fellow group undertakings	-	-	1,086,327	609,495
Amounts due from related entities	829,470	705,898	829,470	705,898
Other debtors	296,987	85,062	265,555	708
Prepayments and accrued income	1,353,482	962,696	1,205,555	814,214
	<u>3,063,981</u>	<u>2,438,750</u>	<u>3,847,727</u>	<u>2,617,399</u>

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

		<b>Group</b>	<b>2015</b>	<b>Company</b>	<b>2015</b>
		<b>2016</b>		<b>2016</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	23	453,274	4,618,720	-	-
Other borrowings	23	-	3,081,665	-	3,081,665
Trade creditors		2,383,493	2,086,020	2,152,736	1,846,166
Amounts due to related entities		117,268	43,073	117,268	-
Corporation tax payable		520,866	106,884	473,773	49,315
Other taxation and social security		801,536	731,691	633,821	543,757
Other creditors		284,440	158,750	102,338	33,597
Accruals and deferred income		2,628,623	3,422,725	2,221,821	3,021,024
		<u>7,189,500</u>	<u>14,249,528</u>	<u>5,701,757</u>	<u>8,575,524</u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Loans and overdrafts	23	7,037,499	194,329	3,081,665	-

**23 Loans and overdrafts**

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	4,409,108	4,813,049	-	-
Other loans	3,081,665	3,081,665	3,081,665	3,081,665
	7,490,773	7,894,714	3,081,665	3,081,665
Payable within one year	453,274	7,700,385	-	3,081,665
Payable after one year	7,037,499	194,329	3,081,665	-

The bank loan is secured by a first legal charge over the freehold and leasehold titles to Bishopstrow House, Warminster, Wiltshire, BA12 9HH, dated 25 October 2011 in favour of Barclays Bank plc.

A debenture has been provided by Longleat Bishopstrow Limited dated 25 October 2011 in favour of Barclays Bank plc. Following a variation of terms agreed on 25 October 2016, all charges and debentures referred to above continue to be applicable.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**24 Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Group</b>		
Accelerated capital allowances	310,564	268,472
Fair value increases on investment property	130,709	112,790
	<u>441,273</u>	<u>381,262</u>
	<u><u>441,273</u></u>	<u><u>381,262</u></u>
	Liabilities 2016 £	Liabilities 2015 £
<b>Company</b>		
Accelerated capital allowances	219,696	191,037
Fair value increases on investment property	130,709	112,790
	<u>350,405</u>	<u>303,827</u>
	<u><u>350,405</u></u>	<u><u>303,827</u></u>
	Group 2016 £	Company 2016 £
<b>Movements in the year:</b>		
Liability at 1 January 2016	381,262	303,827
Charge to profit or loss	60,011	46,578
	<u>441,273</u>	<u>350,405</u>
Liability at 31 December 2016	<u><u>441,273</u></u>	<u><u>350,405</u></u>

The deferred tax liability set out above is expected to reverse in future accounting periods.

**Longleat Enterprises Limited****Notes to the financial statements (continued)**  
**For the year ended 31 December 2016****25 Retirement benefit schemes**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes.	285,270	298,794

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**26 Share capital**

	<b>Group and company</b>	
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
310,000 Ordinary shares of £1 each	310,000	310,000
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
6,711,074 Preference shares of £1 each	6,711,074	9,700,000

The ordinary shares rank pari passu and confer the right to vote, participate in dividends and other distributions upon a winding up.

In 2009 the company issued 200,000 fully paid £1 preference shares at par. A further 9,500,000 of these shares were then issued in 2011 under a rights issue. The preference shares are redeemable at the discretion of the company. There are no set premiums on redemption and they can be redeemed on any date notified by the company. The shares are also non-voting and non-cumulative.

During the year, 2,988,926 preference shares were redeemed. The preference shares were redeemed at par value out of distributable reserves in accordance with the Company's articles of association. A capital redemption reserve has been created following the redemption of shares (see note 29).

**27 Share premium account**

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

**28 Revaluation reserve**

The revaluation reserve includes all fair value gains recognised on investment properties, net of deferred tax.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**29 Capital redemption reserve**

Following the redemption of preference shares in the year a capital redemption reserve has been recognised to ensure compliance with section 733 of the Companies Act 2006

**30 Profit and loss reserves**

The profit and loss reserves account includes all current and prior period retained profits and losses.

**31 Contingent liabilities**

At the year end the company continued to be subject to an inquiry in relation to its tax affairs. This inquiry meets the definition of a contingent liability under Section 21 of FRS 102 due to the uncertainty surrounding the outcome and amount of any potential liability.

Following the year end an Accelerated Payment Notice was issued in relation to this inquiry and further information can be found in note 34.

**32 Operating lease commitments**

**Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	877,500	227,566	800,000	129,030
Between two and five years	3,392,500	462,500	3,200,000	200,000
In over five years	4,987,500	2,037,500	4,987,500	2,037,500
	<u>9,257,500</u>	<u>2,727,566</u>	<u>8,987,500</u>	<u>2,366,530</u>

Included in the operating lease commitment due in over 5 years relates to an agreement to pay £50,000 per annum to a related party expiring in 2066.

## Longleat Enterprises Limited

### Notes to the financial statements (continued) For the year ended 31 December 2016

#### 33 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	271,681	515,000

##### Transactions with related parties

The Most Honourable Alexander George, The Seventh Marquess of Bath is a life tenant of both Lord Bath's Own Longleat Settlement and The Longleat House and Chattels Trust, and he also has a beneficial interest in the ownership of Longleat Enterprises Limited by virtue of Lord Bath's Own Longleat Settlement.

Viscount Weymouth is the life tenant of the Lord Bath's Longleat Settlement - Viscount Weymouth's Fund, and is a director of Longleat Enterprises Limited. The trustees of the above funds are Lord Margadale, Albemarle Cator, Timothy Moore and James Hervey-Bathurst and in this capacity they had a material interest in a number of transactions.

The directors are of the opinion that all transactions were carried out at market value and relate to the trade of the company such as rental and management charges.

The receipts and payments between the entities during the year were as follows:

- with Lord Bath's Own Longleat Settlement, receipts of £603,177 (2015: £481,803) and payments of £196,799 (2015: £255,733)
- with The Longleat House and Chattels Trust, receipts of £588,590 (2015: £432,071) and payments of £100,593 (2015: £33,377)
- with Lord Bath's Longleat Settlement - Viscount Weymouth's Fund, receipts of £166,856 (2015: £128,113) and payments of £553 (2015: £55,760).

Balances outstanding with the various related entities at the year end were:

- amounts due to the Longleat House and Chattels Trust of £69,060 (2015: £74,765 due from)
- amounts due to Lord Bath's Own Longleat Settlement of £48,208 (2015: £115,928 due from)
- amounts due from Lord Bath's Longleat Settlement - Viscount Weymouth's Fund of £670,802 (2015: £356,537).

Amounts due from the various entities are included within debtors and creditors.

During the year, no donations were made by the company (2015: £172,695) to the Longleat Charitable Trust. At the year end the company was owed £158,668 (2015: £158,668) from the Longleat Charitable Trust.

During the year the Company made payments totalling £nil (2015: £28,408) to All Park Solutions Limited, a related company by virtue of common directorships.

## **Longleat Enterprises Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

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#### **34 Events after the reporting date**

On 11 July 2017, the Company was issued with an Accelerated Payment Notice in relation to the contingent liability as shown in note 31. The amount payable under the Accelerated Payment Notice is £998,108 and is due for payment on 12 October 2017.

#### **35 Subsidiaries**

Details of the company's subsidiaries at 31 December 2016 are as follows:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of shares held</b>	<b>% Held Direct</b>
Longleat Bishopstrow Limited	England and Wales	Hotel operator	Ordinary	100.00
Longleat Homewood Park Limited	England and Wales	Hotel operator	Ordinary	100.00
Longleat Bath Arms Limited	England and Wales	Public house	Ordinary	100.00

#### **36 Controlling party**

The controlling parties are the trustees of Lord Bath's Own Longleat Settlement - Lord Margadale, Albemarle Cator, Timothy Moore and James Hervey-Bathurst.

During the year, Richard Parry resigned and James Hervey-Bathurst was appointed as a trustee to Lord Bath's Own Longleat Settlement.

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

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<b>37 Cash generated from operations</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	2,335,124	1,038,565
Adjustments for:		
Income tax expense recognised in profit or loss	993,283	1,883,751
Finance costs recognised in profit or loss	212,741	202,892
Investment income recognised in profit or loss	(7,906)	(24,344)
Gain on disposal of tangible fixed assets	(1,502)	(20,850)
Amortisation and impairment of intangible assets	151,818	171,359
Depreciation and impairment of tangible fixed assets	2,875,981	3,189,868
FV gains on investment property	-	(1,210,061)
Movements in working capital:		
(Increase)/decrease in stocks	(74,990)	10,302
(Increase) in debtors	(625,231)	(669,599)
(Decrease)/increase in creditors	(270,927)	942,688
<b>Cash generated from operations</b>	<b>5,588,391</b>	<b>5,514,571</b>

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