

Company Registration No. 00789512 (England and Wales)

**Longleat Enterprises Limited**

**Annual report and  
group financial statements  
for the period ended 2 January 2018**

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## **Longleat Enterprises Limited**

### **Company information**

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<b>Directors</b>	Viscount Weymouth Albemarle Cator Robert Montgomery Johan Eliasch Janie Schaffer (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>Tax advisers</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 period ended 2 January 2018

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The directors present the strategic report for the period ended 2 January 2018.

#### Fair review of the business

Longleat Enterprises Limited ("Longleat" or "LEL") is pleased to provide the following review of its annual accounts for the period ended 2 January 2018. During the year Longleat continued to perform strongly in both turnover and profit delivery.

#### Highlights 2017

- Consolidated Group turnover fell by 1%, from the record year in 2016, to £31.6m.
- EBITDA of £5.3m, representing a 5-year CAGR of 50%.
- Operating profit of £2.8m, representing a 5-year CAGR of 32%.
- 2017 visitor numbers for the combined Longleat Safari and Adventure Park & Cheddar Gorge businesses remained consistent to 2016 at 1.1m.
- The seasonal events programme, which began in 2014, was an important factor in business performance with the Marvellous Monsters events, Sky Safari and Winter Festival of Light continuing to be significant contributors to revenue and profit.
- Asset -backed balance sheet continues to be strengthened.
- The return of the BBC's "Animal Park" series for a second season, which has been important to Longleat in terms of raising awareness and goodwill. When aired it continues to deliver the highest viewership in its timeslot.

#### Highlights 2013-2017

The table below highlights the business performance over the last five years, with revenue increasing and a focus on maintaining an affordable & flexible cost base. Such an improvement has allowed the business to invest its cash reserves in important infrastructure projects and staff engagement schemes.

	2017 £	2016 £	2015 £	2014 £	2013 £	5 Year CAGR
Turnover	31,590,436	31,934,635	30,046,890	27,041,224	24,868,211	6%
Operating profit	2,836,725	3,533,242	1,890,803	1,061,077	942,780	32%
EBITDA	5,328,473	6,561,041	5,105,015	4,044,476	1,051,474	50%

**Longleat Enterprises Limited**

**Strategic report (continued)  
For the period ended 2 January 2018**

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The Chairman of Longleat Enterprises Limited, Ceawlin Weymouth, commented;

"I am delighted to report continued strong results for 2017 following the previous record year when Longleat Safari Park celebrated its 50th Anniversary. Revenue and attendance figures have demonstrated that, in the last 5 years, the business has created the foundations for future growth. We have continued to strengthen our management team and implemented a staff engagement programme, which has had a favorable impact on our key metrics and financial performance. Despite challenging economic conditions our attendance held steady and the awareness of the Longleat brand is broadening with our increased media profile. We now have plans in place to continue building on this success over the medium and long term, both with our existing operation as well as potential new business opportunities."

**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.

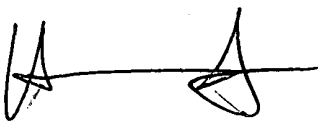
**Interest rate risk**

The sole borrowings of the group related 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. Post year-end the Hotel has been sold and the loan has subsequently been fully repaid.

**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.

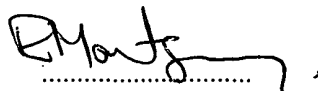
On behalf of the board



Viscount Weymouth

Director

1/5/18



Robert Montgomery

Director

1-5-18

## **Longleat Enterprises Limited**

### **Directors' report**

**For the period ended 2 January 2018**

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The directors present their annual report and financial statements for the period ended 2 January 2018.

#### **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 period and up to the date of signature of the financial statements were as follows:

Viscount Weymouth

Albemarle Cator

Robert Montgomery

Johan Eliasch

Janie Schaffer

(Appointed 30 June 2017)

#### **Results and dividends**

The results for the period are set out on page 9.

The directors recommend that no dividend be paid for the year (2016: £nil)

The net after-tax loss of the year of £442,568 is to be transferred to the reserves (2016: net after tax profit of £2,517,578)

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).

## **Longleat Enterprises Limited**

### **Directors' report (continued)**

**For the period ended 2 January 2018**

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#### **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.

#### **Future developments**

Sustained reinvestment continues across all of the businesses into 2018 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.

**Directors' report (continued)**  
**For the period ended 2 January 2018**

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**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.

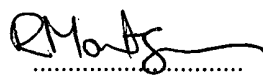
On behalf of the board



.....  
Viscount Weymouth

**Director**

1/5/18



.....  
Robert Montgomery

**Director**

1-5-18

## **Longleat Enterprises Limited**

### **Independent auditors' report**

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

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#### **Opinion**

We have audited the financial statements of Longleat Enterprises Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 2 January 2018 set out on pages 9 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2 January 2018 and of its loss for the period 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.

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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Longleat Enterprises Limited**

### **Independent auditors' report (continued) To the members of Longleat Enterprises Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters 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 period 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.

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

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

**Longleat Enterprises Limited**

**Independent auditors' report (continued)**  
**To the members of Longleat Enterprises Limited**

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Saffery Champness LLP*

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

*11/5/18*

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

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

**Longleat Enterprises Limited**

**Group statement of comprehensive income  
For the period ended 2 January 2018**

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	31,515,886	31,934,635
<b>Cost of sales</b>		(9,688,350)	(9,443,349)
<b>Gross profit</b>		<u>21,827,536</u>	<u>22,491,286</u>
Administrative expenses		(19,898,435)	(19,627,219)
Other operating income		907,624	669,175
<b>Operating profit</b>	<b>4</b>	<u>2,836,725</u>	<u>3,533,242</u>
Interest receivable and similar income	<b>8</b>	13,592	7,906
Interest payable and similar expenses	<b>9</b>	(264,940)	(212,741)
Impairment losses	<b>10</b>	(1,095,969)	-
<b>Profit before taxation</b>		<u>1,489,408</u>	<u>3,328,407</u>
Tax on profit	<b>11</b>	(1,931,976)	(993,283)
<b>(Loss)/profit for the financial period</b>	<b>28</b>	<u><u>(442,568)</u></u>	<u><u>2,335,124</u></u>

(Loss)/profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period 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**

**Group statement of financial position**

**As at 2 January 2018**

			<b>As at 2 January 2018</b>	<b>As at 31 December 2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Intangible assets	<b>12</b>		18,590	18,590
Tangible assets	<b>13</b>		23,333,497	24,846,558
Investment properties	<b>14</b>		1,865,000	2,165,000
Investments	<b>15</b>		23,001	23,001
			<u>25,240,088</u>	<u>27,053,149</u>
<b>Current assets</b>				
Stocks	<b>17</b>	649,328	657,664	
Debtors	<b>18</b>	5,673,370	3,063,981	
Cash at bank and in hand		5,704,985	6,279,362	
		<u>12,027,683</u>	<u>10,001,007</u>	
<b>Creditors: amounts falling due within one year</b>	<b>19</b>	<u>(8,040,225)</u>	<u>(7,189,500)</u>	
<b>Net current assets</b>			<u>3,987,458</u>	<u>2,811,507</u>
<b>Total assets less current liabilities</b>			<u>29,227,546</u>	<u>29,864,656</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>20</b>	(6,710,074)	(7,037,499)	
<b>Provisions for liabilities</b>	<b>22</b>	(574,156)	(441,273)	
<b>Net assets</b>			<u>21,943,316</u>	<u>22,385,884</u>
<b>Capital and reserves</b>				
Called up share capital	<b>24</b>	7,021,074	7,021,074	
Share premium account	<b>25</b>	900,000	900,000	
Revaluation reserve	<b>26</b>	1,308,079	1,308,079	
Capital redemption reserve	<b>27</b>	2,988,926	2,988,926	
Profit and loss reserves	<b>28</b>	9,725,237	10,167,805	
<b>Total equity</b>			<u>21,943,316</u>	<u>22,385,884</u>

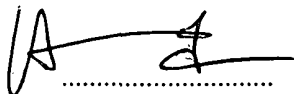
**Longleat Enterprises Limited**

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

**As at 2 January 2018**

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The financial statements were approved by the board of directors and authorised for issue on .....1/5/18..... and are signed on its behalf by:



.....  
Viscount Weymouth  
Director



.....  
Robert Montgomery  
Director

**Longleat Enterprises Limited**

**Company statement of financial position  
As at 2 January 2018**

			<b>As at 2 January 2018</b>	<b>As at 31 December 2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Intangible assets	<b>12</b>		18,590	18,590
Tangible assets	<b>13</b>		16,180,588	16,415,302
Investment properties	<b>14</b>		1,865,000	2,165,000
Investments	<b>15</b>		1,849,101	2,974,101
			<u>19,913,279</u>	<u>21,572,993</u>
<b>Current assets</b>				
Stocks	<b>17</b>	560,264	556,960	
Debtors	<b>18</b>	6,613,116	3,847,727	
Cash at bank and in hand		5,002,138	5,515,374	
		<u>12,175,518</u>	<u>9,920,061</u>	
<b>Creditors: amounts falling due within one year</b>	<b>19</b>	<u>(6,630,173)</u>	<u>(5,701,757)</u>	
<b>Net current assets</b>			<u>5,545,345</u>	<u>4,218,304</u>
<b>Total assets less current liabilities</b>			<u>25,458,624</u>	<u>25,791,297</u>
<b>Creditors: amounts falling due after more than one year</b>	<b>20</b>		(3,081,665)	(3,081,665)
<b>Provisions for liabilities</b>	<b>22</b>		(458,538)	(350,405)
<b>Net assets</b>			<u>21,918,421</u>	<u>22,359,227</u>
<b>Capital and reserves</b>				
Called up share capital	<b>24</b>		7,021,074	7,021,074
Share premium account	<b>25</b>		900,000	900,000
Revaluation reserve	<b>26</b>		1,308,079	1,308,079
Capital redemption reserve	<b>27</b>		2,988,926	2,988,926
Profit and loss reserves	<b>28</b>		9,700,342	10,141,148
<b>Total equity</b>			<u>21,918,421</u>	<u>22,359,227</u>

**Longleat Enterprises Limited**

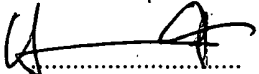
**Company statement of financial position (continued)**

**As at 2 January 2018**

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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 (loss)/profit for the year was (£440,806) (2016 - £2,517,578).

The financial statements were approved by the board of directors and authorised for issue on 15/18 and are signed on its behalf by:



Viscount Weymouth  
Director



Robert Montgomery  
Director

**Company Registration No. 00789512**

Longleat Enterprises Limited

Group statement of changes in equity  
For the period ended 2 January 2018

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		10,010,000	900,000	1,308,079	-	10,821,607	23,039,686
<b>Period ended 31 December 2016:</b>							
Profit and total comprehensive income for the period		-	-	-	-	2,335,124	2,335,124
Redemption of shares	24	(2,988,926)	-	-	2,988,926	-	-
Reduction of shares	24	-	-	-	-	(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
<b>Period ended 2 January 2018:</b>							
Loss and total comprehensive income for the period		-	-	-	-	(442,568)	(442,568)
<b>Balance at 2 January 2018</b>		7,021,074	900,000	1,308,079	2,988,926	9,725,237	21,943,316

Longleat Enterprises Limited

Company statement of changes in equity  
For the period ended 2 January 2018

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		10,010,000	900,000	1,308,079	-	10,612,496	22,830,575
<b>Period ended 31 December 2016:</b>							
Profit and total comprehensive income for the period		-	-	-	-	2,517,578	2,517,578
Redemption of shares	24	(2,988,926)	-	-	2,988,926	-	-
Reduction of shares	24	-	-	-	-	(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
<b>Period ended 2 January 2018:</b>							
Loss and total comprehensive income for the period		-	-	-	-	(440,806)	(440,806)
<b>Balance at 2 January 2018</b>		7,021,074	900,000	1,308,079	2,988,926	9,700,342	21,918,421

**Longleat Enterprises Limited**

**Consolidated statement of cash flows**  
**For the period ended 2 January 2018**

		2017	2016
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	34	3,843,854	5,588,389
Interest paid		(83,063)	(112,741)
Income taxes paid		(1,958,044)	(523,758)
<b>Net cash inflow from operating activities</b>		<b>1,802,747</b>	<b>4,951,890</b>
<b>Investing activities</b>			
Payments in relation to intangible assets		-	(50,000)
Purchase of tangible fixed assets	(2,186,289)	(3,826,192)	
Proceeds on disposal of tangible fixed assets	22,726	-	
Proceeds on disposal of investment property	240,086	-	
Interest received	13,592	7,906	
<b>Net cash used in investing activities</b>		<b>(1,909,885)</b>	<b>(3,868,286)</b>
<b>Financing activities</b>			
Purchase of own shares		-	(2,988,926)
Repayment of bank loans	(467,239)	(403,941)	
<b>Net cash used in financing activities</b>		<b>(467,239)</b>	<b>(3,392,867)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(574,377)</b>	<b>(2,309,263)</b>
Cash and cash equivalents at beginning of period		6,279,362	8,588,625
<b>Cash and cash equivalents at end of period</b>		<b>5,704,985</b>	<b>6,279,362</b>

**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 2 January 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.

The subsidiaries results were reported to 31 December 2017. The directors do not believe that the difference in reporting date is material to the financial statements.

**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.

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

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**1 Accounting policies (continued)**

**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.

**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 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 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.

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 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.

**1.11 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.

**1 Accounting policies (continued)**

***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.

***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.

**1 Accounting policies (continued)**

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.

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

***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.

**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 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.

**1.14 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 period ended 2 January 2018**

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**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:

	2017	2016
	£	£
<b>Turnover</b>		
Attractions and leisure	25,930,169	26,204,101
Hotels	5,585,717	5,730,534
	<u>31,515,886</u>	<u>31,934,635</u>
 <b>Other significant revenue</b>		
Interest income	13,592	7,906
Grants received	53,735	43,831
Rental income	145,105	123,765
Management fees	417,042	354,432
Sundry income	62,532	124,398
	<u>628,906</u>	<u>634,332</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 period ended 2 January 2018**

**4 Operating profit**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating profit for the period is stated after charging/(crediting):		
Government grants	(53,735)	(43,831)
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	2,603,381	2,875,981
Impairment of owned tangible fixed assets	1,095,969	-
Profit on disposal of tangible fixed assets	(22,726)	(1,502)
Loss on disposal of investment property	59,914	-
Amortisation of intangible assets	-	151,818
Cost of stocks recognised as an expense	4,360,801	4,303,940
Operating lease charges	1,330,730	1,267,794
	<u>                    </u>	<u>                    </u>

**5 Auditors' remuneration**

	<b>2017</b>	<b>2016</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	24,700	24,000
Audit of the financial statements of the company's subsidiaries	26,800	26,000
	<u>                    </u>	<u>                    </u>
	<u>51,500</u>	<u>50,000</u>

**6 Employees**

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

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
In trading activities	641	640	498	481
In administration	68	67	62	67
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>709</u>	<u>707</u>	<u>560</u>	<u>548</u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**6 Employees (continued)**

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	10,678,065	10,335,291	8,587,270	8,159,009
Social security costs	789,160	686,542	645,540	539,044
Pension costs	305,746	285,270	256,947	241,456
	<u>11,772,971</u>	<u>11,307,103</u>	<u>9,489,757</u>	<u>8,939,509</u>

Redundancy payments in the year amounted to £60,779 (2016 - £40,722).

**7 Directors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	497,326	260,831
Company pension contributions to defined contribution schemes	13,145	10,850
	<u>510,471</u>	<u>271,681</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	317,326	147,000
Company pension contributions to defined contribution schemes	13,145	10,850
	<u>330,471</u>	<u>157,850</u>

**8 Interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest income		
Interest on bank deposits	13,592	7,906
	<u>13,592</u>	<u>7,906</u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

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**9 Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	83,063	112,741
<b>Other finance costs:</b>		
Other interest	181,877	100,000
<b>Total finance costs</b>	<b>264,940</b>	<b>212,741</b>

**10 Impairments**

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

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Property, plant and equipment	1,095,969	-

As at the signing date, the parent entity has entered into an agreement to sell the entire share capital of Longleat Homewood Park Limited. As the fair value of consideration, negotiated at an arms length, was materially lower than the net assets of the entity, an impairment was made to land and buildings as the directors believe that this is representative of the net realisable value at the balance sheet date.

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**11 Taxation**

	2017	2016
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	721,678	925,736
Adjustments in respect of prior periods	1,077,405	7,536
<b>Total current tax</b>	<u>1,799,083</u>	<u>933,272</u>
<b>Origination and reversal of timing differences</b>	<u>132,893</u>	<u>60,011</u>
<b>Total deferred tax</b>	<u>132,893</u>	<u>60,011</u>
<b>Total tax charge</b>	<u>1,931,976</u>	<u>993,283</u>

The applicable tax rate has been updated in line with changes in UK tax legislation. The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
<b>Profit before taxation</b>	<u>1,489,408</u>	<u>3,328,407</u>
<b>Expected tax charge based on a corporation tax rate of 19.25%</b>	286,711	665,681
<b>Tax effect of expenses that are not deductible in determining taxable profit</b>	16,528	1,916
<b>Adjustments in respect of prior years</b>	(11,364)	7,536
<b>Depreciation on assets not qualifying for tax allowances</b>	274,904	321,411
<b>Other non-reversing timing differences</b>	251,373	2,507
<b>Change in rate applied to deferred tax</b>	(5,514)	1,108
<b>Exceptional tax cost</b>	1,088,408	-
<b>Deferred tax on investment properties</b>	30,930	(6,876)
<b>Tax expense for the period</b>	<u>1,931,976</u>	<u>993,283</u>

Included in the tax charge for the period is an exceptional tax cost in settlement of a HMRC inquiry in relation to its tax affairs. This cost was included as a contingent liability for the year ended 31 December 2016 due to uncertainty surrounding the outcome and amount of the potential liability,

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

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**12 Intangible fixed assets**

<b>Group and Company</b>	<b>Licenses £</b>
<b>Cost</b>	
At 1 January 2017	770,134
Disposals	(751,544)
	<hr/>
At 2 January 2018	18,590
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2017	751,544
Disposals	(751,544)
	<hr/>
At 2 January 2018	-
	<hr/>
<b>Carrying amount</b>	
At 02 January 2018	18,590
	<hr/>
At 31 December 2016	18,590
	<hr/>

Longleat Enterprises Limited

Notes to the financial statements (continued)  
For the period ended 2 January 2018

13 Tangible fixed assets

Group	Land and buildings freehold	Land and buildings leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Animals	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2017	10,995,981	20,146,296	6,561,864	6,431,845	1,820,935	300,659	46,257,580
Additions	(125,127)	1,390,424	406,350	220,437	294,205	-	2,186,289
Disposals	-	-	(10,300)	-	(249,798)	-	(260,098)
At 2 January 2018	10,870,854	21,536,720	6,957,914	6,652,282	1,865,342	300,659	48,183,771
<b>Depreciation and impairment</b>							
At 1 January 2017	2,297,883	7,237,349	4,694,949	5,582,509	1,417,925	180,407	21,411,022
Depreciation charged in the period	221,061	1,441,334	468,699	284,209	158,012	30,066	2,603,381
Impairment losses	1,095,969	-	-	-	-	-	1,095,969
Eliminated in respect of disposals	-	-	(10,300)	-	(249,798)	-	(260,098)
At 2 January 2018	3,614,913	8,678,683	5,153,348	5,866,718	1,326,139	210,473	24,850,274
<b>Carrying amount</b>							
At 02 January 2018	7,255,941	12,858,037	1,804,566	785,564	539,203	90,186	23,333,497
At 31 December 2016	8,266,812	13,340,233	1,771,302	944,949	403,010	120,252	24,846,558

For more information on the impairment in the period see note 10.

Longleat Enterprises Limited

Notes to the financial statements (continued)  
For the period ended 2 January 2018

13 Tangible fixed assets (continued)

Company	Land and buildings freehold	Land and buildings leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Animals	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2017	2,688,392	19,218,382	6,053,180	5,964,262	1,820,935	300,659	36,045,810
Additions	14,150	1,213,655	435,128	145,761	294,205	-	2,102,899
Disposals	-	-	(10,300)	-	(249,798)	-	(260,098)
At 2 January 2018	2,702,542	20,432,037	6,478,008	6,110,023	1,865,342	300,659	37,888,611
<b>Depreciation and impairment</b>							
At 1 January 2017	1,427,080	7,158,725	4,288,385	5,157,986	1,417,925	180,407	19,630,508
Depreciation charged in the period	39,425	1,422,443	432,431	255,236	158,012	30,066	2,337,613
Eliminated in respect of disposals	-	-	(10,300)	-	(249,798)	-	(260,098)
At 2 January 2018	1,466,505	8,581,168	4,710,516	5,413,222	1,326,139	210,473	21,708,023
<b>Carrying amount</b>							
At 02 January 2018	1,236,037	11,850,869	1,767,492	696,801	539,203	90,186	16,180,588
At 31 December 2016	1,261,312	12,059,657	1,764,795	806,276	403,010	120,252	16,415,302

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**14 Investment property**

	<b>Group 2017 £</b>	<b>Company 2017 £</b>
<b>Fair value</b>		
At 2 January 2018	2,165,000	2,165,000
Disposals	(300,000)	(300,000)
At 2 January 2018	<u>1,865,000</u>	<u>1,865,000</u>

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 2 January 2018.

If the assets were valued at historical cost, they would hold a cost value of £1,156,832 (2016: £1,156,832) and a net book value of £906,784 (2016: £929,921).

**15 Fixed asset investments**

		<b>Group 2017 £</b>	<b>2016 £</b>	<b>Company 2017 £</b>	<b>2016 £</b>
	<b>Notes</b>				
Investments in subsidiaries	<b>32</b>	-	-	1,826,100	2,951,100
Unlisted investments		23,001	23,001	23,001	23,001
		<u>23,001</u>	<u>23,001</u>	<u>1,849,101</u>	<u>2,974,101</u>

An impairment was recognised in the company balance sheet to reduce the valuation of a subsidiary company to its net realisable value.

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**15 Fixed asset investments (continued)**

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

**Shares**  
**£**

**Cost or valuation**

At 1 January 2017 & 2 January 2018

23,001

**Carrying amount**

At 2 January 2018

23,001

At 31 December 2016

23,001

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

**Shares**  
**£**

**Cost or valuation**

At 1 January 2017 & 2 January 2018

2,974,101

**Impairment**

At 1 January 2017

Impairment losses

1,125,000

At 2 January 2018

1,125,000

**Carrying amount**

At 2 January 2018

1,849,101

At 31 December 2016

2,974,101

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**16 Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	3,280,884	1,710,499	4,410,989	2,642,172
Equity instruments measured at cost less impairment	23,001	23,001	23,001	23,001
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	13,086,449	12,904,597	8,471,853	7,675,828
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**17 Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	649,328	657,664	560,264	556,960
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**18 Debtors**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	906,537	584,042	803,769	460,820
Amounts due from fellow group undertakings	-	-	1,293,626	1,086,327
Amounts due from related entities	1,769,172	829,470	1,769,172	829,470
Other debtors	605,175	296,987	544,422	265,555
Prepayments and accrued income	2,392,486	1,353,482	2,202,127	1,205,555
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	5,673,370	3,063,981	6,613,116	3,847,727
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

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

		<b>Group</b>		<b>Company</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>21</b>	313,460	453,274	-	-
Trade creditors		2,930,393	2,383,493	2,654,208	2,152,736
Amounts due to related entities		-	117,268	-	117,268
Corporation tax payable		361,338	520,866	322,215	473,773
Other taxation and social security		956,808	801,536	794,777	633,821
Other creditors		246,526	284,440	35,072	102,338
Accruals and deferred income		3,231,700	2,628,623	2,823,901	2,221,821
		<u>8,040,225</u>	<u>7,189,500</u>	<u>6,630,173</u>	<u>5,701,757</u>

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

		<b>Group</b>		<b>Company</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Loans and overdrafts	<b>21</b>	<u>6,710,074</u>	<u>7,037,499</u>	<u>3,081,665</u>	<u>3,081,665</u>

**21 Loans and overdrafts**

		<b>Group</b>		<b>Company</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans		3,941,869	4,409,108	-	-
Other loans		3,081,665	3,081,665	3,081,665	3,081,665
		<u>7,023,534</u>	<u>7,490,773</u>	<u>3,081,665</u>	<u>3,081,665</u>
Payable within one year		313,460	453,274	-	-
Payable after one year		<u>6,710,074</u>	<u>7,037,499</u>	<u>3,081,665</u>	<u>3,081,665</u>

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**21 Loans and overdrafts (continued)**

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. The net book value of these assets at the balance sheet date was £5,062,403 (2016: 5,156,247). Post year-end the Hotel has been sold and the loan has subsequently been fully repaid.

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.

**22 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 2017 £	Liabilities 2016 £
<b>Group</b>		
ACAs	416,126	310,564
Fair value increases on investment property	158,030	130,709
	<u>574,156</u>	<u>441,273</u>
	<u><u>574,156</u></u>	<u><u>441,273</u></u>
	Liabilities 2017 £	Liabilities 2016 £
<b>Company</b>		
ACAs	300,508	219,696
Fair value increases on investment property	158,030	130,709
	<u>458,538</u>	<u>350,405</u>
	<u><u>458,538</u></u>	<u><u>350,405</u></u>

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

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**22 Deferred taxation (continued)**

	<b>Group 2017 £</b>	<b>Company 2017 £</b>
<b>Movements in the period:</b>		
Liability at 1 January 2017	441,273	350,405
Charge to profit or loss	108,133	108,133
Liability at 2 January 2018	<u>549,406</u>	<u>458,538</u>

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

**23 Retirement benefit schemes**

	<b>2017 £</b>	<b>2016 £</b>
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	<u>305,746</u>	<u>285,270</u>

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.

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

**24 Share capital**

	<b>Group and company</b>	
	<b>2017</b>	<b>2016</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
	<u>          </u>	<u>          </u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
6,711,074 Preference shares of £1 each	6,711,074	6,711,074
	<u>          </u>	<u>          </u>

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 previous 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 27).

**25 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.

**Longleat Enterprises Limited**

**Notes to the financial statements (continued)**  
**For the period ended 2 January 2018**

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**26 Revaluation reserve**

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

**27 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

**28 Profit and loss reserves**

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

**29 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>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	880,050	877,500	800,050	800,000
Between two and five years	3,322,700	3,392,500	3,200,200	3,200,000
In over five years	2,401,938	4,987,500	2,401,938	4,987,500
	<u>6,604,688</u>	<u>9,257,500</u>	<u>6,402,188</u>	<u>8,987,500</u>

## Longleat Enterprises Limited

### Notes to the financial statements (continued) For the period ended 2 January 2018

#### 30 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	510,471	271,681

##### 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 £8,341 (2016: £603,177) and payments of £426,752 (2016: £196,799)
- with The Longleat House and Chattels Trust, receipts of £nil (2016: £588,590) and payments of £622,250 (2016: £100,593)
- with Lord Bath's Longleat Settlement - Viscount Weymouth's Fund, receipts of £nil (2016: £166,856) and payments of £126,225 (2016: £553).

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

- amounts due to the Longleat House and Chattels Trust of £557,454 (2016: £69,060)
- amounts due to Lord Bath's Own Longleat Settlement of £50,938 (2016: £48,208)
- amounts due from Lord Bath's Longleat Settlement - Viscount Weymouth's Fund of £1,058,362 (2016: £670,802).

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

During the year, donations of £58,088 (2016: £nil) were made by the company to the Longleat Charitable Trust. At the year end the company was owed £100,580 (2016: £158,668) from the Longleat Charitable Trust.

At the balance sheet date a director owed the company £1,838 (2016: £nil).

**31 Events after the reporting date**

As at the signing date, the parent entity has entered into an agreement to sell the entire share capital of Longleat Homewood Park Limited. As the fair value of consideration, negotiated at an arms length, was materially lower than the net assets of the entity, an impairment was made to land and buildings as the directors believe that this is representative of the net realisable value at the balance sheet date.

On 14 February 2018, the Company has also disposed of the trade and assets of its subsidiary Longleat Bishopstrow Limited. The fair value of consideration received for Longleat Bishopstrow Limited exceeded the fair value of the assets disposed of therefore there will be a gain on disposal in the following accounting period.

**32 Subsidiaries**

Details of the company's subsidiaries at 2 January 2018 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 Bath Arms Limited	England and Wales	Public house	Ordinary	100.00
Longleat Bishopstrow Limited	England and Wales	Hotel operator	Ordinary	100.00
Longleat Homewood Park Limited	England and Wales	Hotel operator	Ordinary	100.00

**33 Controlling party**

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

**Longleat Enterprises Limited**

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

**For the period ended 2 January 2018**

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<b>34 Cash generated from operations</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the financial period	(442,568)	2,335,124
Adjustments for:		
Income tax expense recognised in profit or loss	1,931,976	993,283
Finance costs recognised in profit or loss	264,940	212,741
Investment income recognised in profit or loss	(13,592)	(7,906)
Gain on disposal of tangible fixed assets	(22,726)	(1,502)
Loss on disposal of investment property	59,914	-
Amortisation and impairment of intangible assets	-	151,818
Depreciation and impairment of tangible fixed assets	3,699,350	2,875,981
Movements in working capital:		
Decrease/(increase) in stocks	8,336	(74,990)
(Increase) in debtors	(2,609,389)	(625,231)
Increase/(decrease) in creditors	967,613	(270,927)
<b>Cash generated from operations</b>	<b>3,843,854</b>	<b>5,588,391</b>

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