

Company Registration No. 789512 (England and Wales)

LONGLEAT ENTERPRISES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004



LONGLEAT ENTERPRISES LIMITED

COMPANY INFORMATION

Directors The Most Honourable Alexander George, The Seventh Marquess of Bath
 Viscount Weymouth (Appointed 19 November 2004)
 Anna Maria Abigail, The Marchioness of Bath
 The Honourable R M O Stanley (Appointed 19 November 2004)
 A J Cator (Appointed 19 November 2004)

Secretary T R W Moore

Company number 789512

Registered office Longleat Estate Office
 Longleat
 Warminster
 Wiltshire
 BA12 7NW

Auditors Nexia Audit Limited
 Old Library Chambers
 21 Chipper Lane
 Salisbury
 Wiltshire
 SP1 1BG

Tax and financial advisers Smith & Williamson Limited
 Old Library Chambers
 21 Chipper Lane
 Salisbury
 Wiltshire
 SP1 1BG

LONGLEAT ENTERPRISES LIMITED

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LONGLEAT ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activities and review of the business

The principal activity of the company in the year under review was that of the management of cave exhibiting at Cheddar Gorge, tourist attractions at Longleat and associated business activities at both sites.

The results for the year and the financial position of the company are as shown in the annexed financial statements.

There are no major changes or developments anticipated for the future trading of the company.

Results and dividends

The results for the year are set out on page 4.

The directors recommend that no dividend be paid for the year (2003: nil). The profit for the year of £1,315,297 is to be transferred to reserves (2003: £612,704).

Post balance sheet events

Since the year end the company has signed a new lease with The Longleat House and Chattels Settlement to lease the house, safari park, offices and attractions at Longleat. The lease is effective from 1 January 2005.

Directors

The following directors have held office since 1 January 2004:

The Most Honourable Alexander George, The Seventh Marquess of Bath	
Viscount Weymouth	(Appointed 19 November 2004)
Anna Maria Abigail, The Marchioness of Bath	
The Honourable R M O Stanley	(Appointed 19 November 2004)
A J Cator	(Appointed 19 November 2004)
M J Chantler	(Resigned 19 November 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2004	1 January 2004
The Most Honourable Alexander George, The Seventh Marquess of Bath	-	-
Viscount Weymouth	-	-
Anna Maria Abigail, The Marchioness of Bath	-	-
The Honourable R M O Stanley	-	-
A J Cator	-	-

Lord Bath had an interest at the end of the year in 310,000 ordinary £1 shares (2003 - 310,000) in the company which are held by Trustees of a Settlement of which he is a beneficiary.

The Honourable R M O Stanley and A J Cator have an interest at the end of the year in 310,000 ordinary £1 shares in the company as Trustees of Lord Bath's Own Longleat Settlement.

LONGLEAT ENTERPRISES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

Charitable donations	2004 £	2003 £
During the year the company made the following payments:		
Charitable donations	82,294	277

Employee involvement

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

Information on 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 company's performance.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Nexia Audit Limited, will be deemed to be reappointed for each succeeding financial year.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



The Most Honourable Alexander George, The Seventh Marquess of Bath

Director

10/8/05

Date

LONGLEAT ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONGLEAT ENTERPRISES LIMITED

We have audited the financial statements of Longleat Enterprises Limited for the year ended 31 December 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the notes to the cash flow statement and the related notes 1 to 25. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Ltd

Nexia Audit Limited

Chartered Accountants
Registered Auditors

21/9/05
.....
Old Library Chambers
21 Chipper Lane
Salisbury
Wiltshire
SP1 1BG

LONGLEAT ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover	2	12,646,172	10,522,534
Cost of sales		(4,694,866)	(4,010,639)
Gross profit		7,951,306	6,511,895
Administrative expenses		(6,542,988)	(6,404,073)
Other operating income		427,334	372,276
Operating profit	3	1,835,652	480,098
Profit on sale of property		-	124,824
Profit on ordinary activities before interest		1,835,652	604,922
Other interest receivable and similar income		93,353	61,925
Interest payable and similar charges	4	(7,361)	(787)
Profit on ordinary activities before taxation		1,921,644	666,060
Tax on profit on ordinary activities	5	(606,347)	(53,356)
Profit on ordinary activities after taxation	17	1,315,297	612,704

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LONGLEAT ENTERPRISES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
Profit for the financial year	1,315,297	612,704
Unrealised surplus/(deficit) on revaluation of properties	371	(39,560)
Total recognised gains and losses relating to the year	<u>1,315,668</u>	<u>573,144</u>

LONGLEAT ENTERPRISES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	£	2004 £	£	2003 £
Fixed assets					
Intangible assets	6		-		48,500
Tangible assets	7 and 8		6,965,107		5,435,746
Investments	9		180		150
			<u>6,965,287</u>		<u>5,484,396</u>
Current assets					
Stocks	10	362,527		349,490	
Debtors	11	647,260		1,089,209	
Cash at bank and in hand		1,889,144		1,432,286	
		<u>2,898,931</u>		<u>2,870,985</u>	
Creditors: amounts falling due within one year	12	(1,457,258)		(1,167,971)	
Net current assets			<u>1,441,673</u>		<u>1,703,014</u>
Total assets less current liabilities			<u>8,406,960</u>		<u>7,187,410</u>
Creditors: amounts falling due after more than one year	13	(250,012)		(294,499)	
Provisions for liabilities and charges	14	(535,665)		(587,296)	
			<u>7,621,283</u>		<u>6,305,615</u>
Capital and reserves					
Called up share capital	16		310,000		310,000
Share premium account	17		900,000		900,000
Revaluation reserve	17		87,686		87,315
Profit and loss account	17		6,323,597		5,008,300
Shareholders' funds - equity interests	18		<u>7,621,283</u>		<u>6,305,615</u>

The financial statements were approved by the Board on 15/3/05



The Most Honourable Alexander George, The Seventh Marquess of Bath
Director

LONGLEAT ENTERPRISES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
Net cash inflow from operating activities	2,329,233	291,651
Returns on investments and servicing of finance		
Interest received	93,353	61,925
Interest paid	(7,361)	(787)
Net cash inflow for returns on investments and servicing of finance	85,992	61,138
Taxation	(163,256)	(168,916)
Capital expenditure and financial investment		
Payments to acquire intangible assets	(45,925)	(11,000)
Payments to acquire tangible assets	(1,902,256)	(2,436,850)
Payments to acquire investments	(30)	(30)
Receipts from sales of intangible assets	94,425	-
Receipts from sales of tangible assets	76,033	312,666
Net cash outflow for capital expenditure	(1,777,753)	(2,135,214)
Net cash inflow/(outflow) before management of liquid resources and financing	474,216	(1,951,341)
Financing		
Issue of ordinary share capital	-	915,000
Repayment of long term loan	(44,487)	-
Net cash (outflow)/inflow from financing	(44,487)	915,000
Increase/(decrease) in cash in the year	429,729	(1,036,341)

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	1,835,652	480,098
	Depreciation of tangible assets	601,739	508,860
	Amortisation of intangible assets	-	7,500
	(Profit)/loss on disposal of tangible assets	(23,775)	32,968
	Increase in stocks	(13,037)	(71,156)
	Decrease/(increase) in debtors	140,364	(450,292)
	Increase/(decrease) in creditors within one year	29,486	(139,229)
	Decrease in provisions	(241,196)	(77,098)
	Net cash inflow from operating activities	2,329,233	291,651

2	Analysis of net funds	1 January 2004	Cash flow	Other non-cash changes	31 December 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,432,286	456,858	-	1,889,144
	Bank overdrafts	-	(27,129)	-	(27,129)
		1,432,286	429,729	-	1,862,015
	Debt:				
	Debts falling due after one year	(294,499)	44,487	-	(250,012)
	Net funds	1,137,787	474,216	-	1,612,003

3	Reconciliation of net cash flow to movement in net funds	2004	2003
		£	£
	Increase/(decrease) in cash in the year	429,729	(1,036,341)
	Cash outflow from decrease in debt	44,487	-
	Movement in net funds in the year	474,216	(1,036,341)
	Opening net funds	1,137,787	2,174,128
	Closing net funds	1,612,003	1,137,787

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention (modified by the revaluation of animals).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom accounting standards.

1.3 Revenue recognition

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.

1.4 Interest in settled land at Cheddar

During the year, the interest in settled land at Cheddar was transferred to tangible fixed assets as the land is now owned by the company.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less the estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings and improvements	2 - 20% on cost
Long leasehold buildings and improvements	2 - 10% on cost
Plant and machinery	10 - 20% on cost
Fixtures, fittings & equipment	5 - 33 1/3 % on cost
Motor vehicles	10 - 20% on cost

Artistic works (other than artworks for the house and gallery) are depreciated in accordance with FRS 15 over 20 years on a straight line basis. The directors are of the opinion that any depreciation on works for the gallery would be immaterial, and therefore, none has been provided.

Animals are revalued annually and the surplus is transferred to the revaluation reserve. Any deficit on revaluation is accounted for through the profit and loss account. The directors are of the opinion that any depreciation on the animals would be immaterial, and therefore, none has been provided.

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

1.6 Leasing

Rentals payable under operating leases are charged to the profit and loss account as they are incurred.

1.7 Investments

Investments are included in the balance sheet at the lower of cost and net realisable value.

1.8 Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

(continued)

1.9 Pensions

The company operated a defined benefit pension scheme and a money purchase scheme on behalf of its employees. In 2001, the defined benefits scheme was closed and during the year was wound up. All employees who were members of the scheme have been invited to join the company's group personal pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.10 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Any deferred tax asset is recognised to the extent that the asset is regarded as recoverable. Any recognised deferred tax asset or liability has not been discounted.

1.11 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.

2 Turnover

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

3 Operating profit

	2004 £	2003 £
Operating profit is stated after charging:		
Amortisation of intangible assets	-	7,500
Depreciation of tangible assets	601,739	508,860
Loss on disposal of tangible assets	-	32,968
Operating lease rentals	334,913	334,857
Auditors' remuneration	16,334	15,950
Non-audit services (paid to related company of the auditors)	7,850	31,920
and after crediting:		
Government grants	19,170	34,407
Profit on disposal of tangible assets	23,775	-

4 Interest payable

	2004 £	2003 £
On bank loans and overdrafts	7,361	787

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

5	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	410,847	171,852
	Adjustment for prior years	5,935	(78,364)
		<hr/>	<hr/>
	Current tax charge	416,782	93,488
		<hr/>	<hr/>
	Deferred tax		
	Deferred tax charge/(credit) - current year	184,172	(4,877)
	Deferred tax adjustment - previous year	5,393	(35,255)
		<hr/>	<hr/>
		189,565	(40,132)
		<hr/>	<hr/>
		606,347	53,356
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,921,644	666,060
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by UK corporation tax at 30.00% (2003: 30.00%)	576,493	199,818
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	4,718	18,095
	Depreciation add back	173,389	164,269
	Capital allowances	(340,465)	(160,897)
	Adjustments to previous periods	5,935	(78,364)
	Chargeable disposals	-	(1,459)
	Rollover relief on profit on disposal of property	-	(35,988)
	Other tax adjustments	(3,288)	(11,986)
		<hr/>	<hr/>
		(159,711)	(106,330)
		<hr/>	<hr/>
	Current tax charge	416,782	93,488
		<hr/>	<hr/>

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

6 Intangible fixed assets

	Interest in settled land at Cheddar £
Cost	
At 1 January 2004	131,000
Additions	45,925
Disposals	(176,925)
	<hr/>
At 31 December 2004	-
	<hr/>
Amortisation	
At 1 January 2004	82,500
Amortisation on disposals	(82,500)
	<hr/>
At 31 December 2004	-
	<hr/>
Net book value	
At 31 December 2004	-
	<hr/>
At 31 December 2003	48,500
	<hr/>

During 2004, the settled land was transferred to the company by the trustees of Bath Settled Estates. The net book value has therefore been transferred to tangible fixed assets as the freehold interest in the land at Cheddar is now held by the company.

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

7 Tangible fixed assets

	Freehold land, buildings and improvements	Long leasehold buildings and improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2004	2,251,481	1,851,889	1,584,177	2,087,793	543,075	8,318,415
Additions	325,892	370,196	642,635	562,032	239,444	2,140,199
Reclassification	76,191	(76,191)	-	-	-	-
Disposals	-	(5,760)	(54,065)	(129,826)	(54,830)	(244,481)
At 31 December 2004	2,653,564	2,140,134	2,172,747	2,519,999	727,689	10,214,133
Depreciation						
At 1 January 2004	191,355	868,196	804,405	1,071,165	321,900	3,257,021
Reclassification	47,808	(47,808)	-	-	-	-
On disposals	-	(3,000)	(29,565)	(118,546)	(54,830)	(205,941)
Charge for the year	45,215	82,729	234,460	160,255	79,080	601,739
At 31 December 2004	284,378	900,117	1,009,300	1,112,874	346,150	3,652,819
Net book value						
At 31 December 2004	2,369,186	1,240,017	1,163,447	1,407,125	381,539	6,561,314
At 31 December 2003	2,060,126	983,693	779,772	1,016,628	221,175	5,061,394

Included in freehold land, buildings and improvements is land at a cost of £654,677 which is not being depreciated (£560,252 in 2003). This includes land at Cheddar transferred from intangible assets at a cost of £94,425. At the date of transfer the land at Cheddar had a market value of £1,665,000.

During the year assets previously classified as leasehold improvements have been transferred to freehold improvements.

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

8 Tangible fixed assets

	Animals £
Valuation	
At 1 January 2004	374,352
Additions	42,788
Revaluation	371
Disposals	(13,718)
	<hr/>
At 31 December 2004	403,793
	<hr/>

Animals were valued on an open market value for existing use basis on 31 December 2004 by the Land Agent at Longleat. The historical cost of animals included at valuation is as follows:

At 31 December 2004	£316,107
At 31 December 2003	£287,037.

9 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2004	150
Additions	30
	<hr/>
At 31 December 2004	180
	<hr/>

10 Stocks	2004 £	2003 £
Finished goods and goods for resale	362,527	349,490
	<hr/>	<hr/>

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

11 Debtors	2004 £	2003 £
Trade debtors	38,819	45,246
Amounts owed by related parties	13,020	24,761
Corporation tax	-	20,854
Other debtors	108,631	94,084
Prepayments and accrued income	486,790	904,264
	<u>647,260</u>	<u>1,089,209</u>
12 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	27,129	-
Trade creditors	660,444	716,321
Amounts owed to related parties	1,359	-
Corporation tax	406,712	174,040
Other taxes and social security costs	81,244	70,996
Other creditors	58,835	41,484
Accruals and deferred income	221,535	165,130
	<u>1,457,258</u>	<u>1,167,971</u>
13 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bath Settled Estates - Longleat Enterprises Fund	50,012	94,499
Arianwood Limited - loan	200,000	200,000
	<u>250,012</u>	<u>294,499</u>
Analysis of loans		
Wholly repayable within five years	<u>250,012</u>	<u>294,499</u>
	<u>250,012</u>	<u>294,499</u>
Loan maturity analysis		
Between one and two years	<u>250,012</u>	<u>294,499</u>

No interest is charged on the above loans and there is no fixed repayment date.

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

14 Provisions for liabilities and charges

	Other provisions £	Deferred taxation £	Total £
Balance at 1 January 2004	307,883	279,413	587,296
Profit and loss account	(241,196)	189,565	(51,631)
Balance at 31 December 2004	<u>66,687</u>	<u>468,978</u>	<u>535,665</u>

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	<u>468,978</u>	<u>279,413</u>

At the start of the year, the company had five separate provisions included in the accounts.

During the year, four of these provisions have been released to the profit and loss account. £79,843 relates to the release of provisions which no longer meet the criteria of FRS 12. £161,353 has been released to set against related expenditure.

The remaining provision relates to resurfacing and white lining at the coach and car park. The balance at 31 December 2004 is £66,687 (2003: £90,941).

15 Pension costs

The company operates The Longleat Staff Pension Scheme, consisting of a defined benefit and money purchase pension scheme. The Longleat defined benefit scheme was closed during 2001 and has been wound up during the year. There has been no pension charge for the year (2003: nil). From 1 July 1997, new members joined a money purchase scheme.

All employees who were members of the defined benefit scheme were invited to join the company's group personal pension scheme. The pension costs charged for the year are £109,899 (2003: £104,692).

The company also operates a defined contribution scheme for one of its directors. The contributions made during the year were £7,405 (2003: £7,405).

16 Share capital

	2004 £	2003 £
Authorised		
310,000 Ordinary shares of £1 each	<u>310,000</u>	<u>310,000</u>
Allotted, called up and fully paid		
310,000 Ordinary shares of £1 each	<u>310,000</u>	<u>310,000</u>

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

17 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2004	900,000	87,315	5,008,300
Retained profit for the year	-	-	1,315,297
Revaluation during the year	-	371	-
Balance at 31 December 2004	900,000	87,686	6,323,597

18 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	1,315,297	612,704
Other recognised gains and losses	371	(39,560)
Proceeds from issue of shares	-	915,000
Net addition to shareholders' funds	1,315,668	1,488,144
Opening shareholders' funds	6,305,615	4,817,471
Closing shareholders' funds	7,621,283	6,305,615

19 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2004 £	2003 £
Expiry date:		
Within one year	-	54,600
In over five years	95,450	109,150
	95,450	163,750

A rent waiver continues to be in place reducing rent commitments by £41,000 (2003 - £38,600). The £95,450 commitment above has not been reduced by this amount as the rent waiver can be cancelled by notice from Lord Bath, although there is currently no intention for the waiver to be cancelled.

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

20 Capital commitments

At 31 December 2004, the company had capital commitments totalling £116,192 for the following:

- supply of catering equipment including installation for £110,592 of which £38,775 has been paid during the year;
- a new coach costing £45,000 of which £10,000 has been paid during the year; and
- a development to the admission system software for £9,375.

At 31 December 2003, the company had capital commitments totalling £416,088 for the following:

- improvements to Noah's Ark building. The total cost of the work was £175,380 of which £48,450 was paid during the year;
- a new toilet block costing £105,000 of which £37,730 was paid during the year;
- a new railway engine costing £52,000;
- flamingos costing £24,000;
- computer software, EPOS terminal and web ticketing costing £12,221;
- a new entrance arch at Longcombe. The total cost of construction was £350,000 of which £233,333 was paid during the year and was included within prepayments;
- a new tea-cup ride. The total cost was £17,500 of which £2,000 was paid during the year and was included within prepayments; and
- a stone bench costing £3,000 of which £1,500 was paid during the year and was included within prepayments.

21 Directors' emoluments

	2004 £	2003 £
Emoluments for qualifying services	96,610	71,570
Company pension contributions to money purchase schemes	7,405	7,405
	<u>104,015</u>	<u>78,975</u>

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
In trading activities	345	308
In administration	31	28
	<u>376</u>	<u>336</u>

Employment costs

	£	£
Wages and salaries	4,034,670	3,520,838
Social security costs	342,077	294,145
Other pension costs	117,304	112,097
	<u>4,494,051</u>	<u>3,927,080</u>

23 Control

The controlling parties are the Trustees of Lord Bath's Own Longleat Settlement - Messrs R A Griffiths, the Honourable R M O Stanley and A J Cator.

LONGLEAT ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

24 Related party transactions

Lord Bath had a material interest in numerous transactions during the year with Lord Bath's Own Longleat Settlement and The Longleat House Trust, trusts of which he is a life tenant. Lord Bath is also a life tenant of The Longleat Chattels Settlement and has a beneficial interest in Arianwood Limited (a dormant company) from which the company has a loan.

Lord Bath is also the father of Viscount Weymouth, who is the life tenant of Lord Bath's Longleat Settlement - Ceawlin's Fund.

The Honourable R M O Stanley and A J Cator had a material interest in numerous transactions during the year as trustees of Lord Bath's Own Longleat Settlement, The Longleat House Trust, The Longleat Chattels Settlement, Bath Settled Estates and Lord Bath's Longleat Settlement - Ceawlin's Fund.

The directors are of the opinion that all transactions were carried out at market value and on an arms length basis.

Balances outstanding with the various related entities are:

- amounts due from Lord Bath's Own Longleat Settlement of £10,442.
- amounts due from The Longleat House Trust of £2,578.
- amounts due to Lord Bath's Longleat Settlement - Ceawlin's Fund of £1,359.

Amounts due from the various entities are included within debtors and amounts due to Lord Bath's Longleat Settlement - Ceawlin's Fund is included within creditors. All have been cleared subsequent to the year end.

The value of transactions between the entities during the year was as follows:

- with Lord Bath's Own Longleat Settlement, income of £225,979 and expenditure of £494,585.
- with The Longleat House Trust, income of £15,371 and expenditure of £51,757.
- with Lord Bath's Longleat Settlement - Ceawlin's Fund, income of £45,224 and expenditure of £170,451.

During the year, fees totalling £27,291 (2003: £24,596) were charged in respect of professional services rendered by a firm of solicitors in which M J Chantler is a partner.

The loan due to Arianwood Limited of £200,000 is included within creditors falling due in more than one year. There has been no movement during the year.

A charitable donation of £40,000 was made to the Longleat Charitable Trust, a related entity, during the year (nil in 2003).

The company was gifted land during the year at nil cost. The transfer was made by Bath Settled Estates - Longleat Enterprises Fund, who also waived a loan of £44,487.

25 Post balance sheet events

Since the year end the company has signed a new lease with The Longleat House and Chattels Settlement to lease the house, safari park, offices and attractions at Longleat. The lease is effective from 1 January 2005.