Company Registration No. 01120626 (England and Wales)

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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HOWLETTS AND PORT LYMPNE ESTATES LIMITED

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HOWLETTS AND PORT LYMPNE ESTATES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	3		18,883		42,460
Tangible assets	4		5,939,551		4,630,573
			5,958,434		4,673,033
Current assets					
Stocks		147,342		174,709	
Debtors	5	4,293,056		2,643,501	
Cash at bank and in hand		115,383		263,310	
		4,555,781		3,081,520	
Creditors: amounts falling due within one year	6	(2,788,383)		(1,855,432)	
Net current assets			1,767,398		1,226,088
Total assets less current liabilities			7,725,832		5,899,121
Creditors: amounts falling due after more than one year	7		(3,760,850)		(2,919,518)
Net assets			3,964,982		2,979,603
Capital and reserves					
Called up share capital	8		2,390,029		2,390,029
Share premium account			304,207		304,207
Profit and loss reserves			1,270,746		285,367
Total equity			3,964,982		2,979,603

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26/9/19 and are signed on its behalf by:

A B Kelly
Director

Company Registration No. 01120626

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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1 Accounting policies

Company information

Howletts and Port Lympne Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Port Lympne Hotel & Reserve, Port Lympne, Lympne, Kent, CT21 4PD.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of 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 Going concern

The Aspinall Foundation has indicated that it intends to provide sufficient funds to the company's parent undertaking, The Howletts Wild Animal Trust, as are necessary for the whole group to continue in operational existence for the foreseeable future. These financial statements do not include any adjustments which would result from a withdrawal of support from The Aspinall Foundation.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.
- the revenue for short breaks is included within the period the break is taken.

Income from the sale of gift vouchers is recognised when the gift vouchers are redeemed.
Therefore, amounts received in respect of gift vouchers that have not been redeemed by the year end are deferred to future accounting periods. Gift vouchers that have not been redeemed six months from the year end in which they were purchased are released to the profit and loss account at that point.

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1 Accounting policies **(Continued)**

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Software	3 years straight line
Website development costs	3 years straight line

1.5 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:

Plant and equipment	25% reducing balance
Motor vehicles	25% reducing balance
Property improvements	4 - 20% straight line

Assets in the course of construction are not depreciated until they are in use.

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

1.6 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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.

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 company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

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

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

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.

1.10 Equity instruments

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

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

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

Current tax

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

Deferred tax

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

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

1 Accounting policies **(Continued)**

1.13 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.

1.14 Retirement benefits

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 January 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 226 (2017 - 204).

3 Intangible fixed assets

	Software	Website development costs	Total
	£	£	£
Cost			
At 1 January 2018 and 31 December 2018	26,261	44,472	70,733
Amortisation and impairment			
At 1 January 2018	17,359	10,914	28,273
Amortisation charged for the year	8,753	14,824	23,577
At 31 December 2018	26,112	25,738	51,850
Carrying amount			
At 31 December 2018	149	18,734	18,883
At 31 December 2017	8,902	33,558	42,460

4 Tangible fixed assets

	Assets under construction	Plant and equipment	Motor vehicles	Property improvements	Total
	£	£	£	£	£
Cost					
At 1 January 2018	241,078	678,611	149,853	7,373,143	8,442,685
Additions	607,910	30,546	-	1,266,440	1,904,896
Disposals	-	(16,300)	-	(14,098)	(30,398)
Transfers	(221,244)	-	-	221,244	-
At 31 December 2018	627,744	692,857	149,853	8,846,729	10,317,183
Depreciation and impairment					
At 1 January 2018	-	641,570	107,600	3,062,942	3,812,112
Depreciation charged in the year	-	14,282	10,643	542,972	567,897
Eliminated in respect of disposals	-	(2,377)	-	-	(2,377)
At 31 December 2018	-	653,475	118,243	3,605,914	4,377,632
Carrying amount					
At 31 December 2018	627,744	39,382	31,610	5,240,815	5,939,551
At 31 December 2017	241,078	37,041	42,253	4,310,201	4,630,573

5 Debtors

Amounts falling due within one year:	2018 £	2017 £
Trade debtors	6,179	31,205
Amounts owed by group undertakings	4,019,203	2,458,119
Other debtors	233,910	140,296
Prepayments and accrued income	33,764	13,881
	4,293,056	2,643,501

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans	363,158	116,205
Other borrowings	567,739	234,828
Trade creditors	403,547	226,379
Taxation and social security	110,964	233,493
Other creditors	10,217	71,565
Accruals and deferred income	1,332,758	972,962
	2,788,383	1,855,432

7 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		3,741,500	2,891,754
Other creditors		19,350	27,764
		3,760,850	2,919,518

A loan totalling £3,268,421 (2017: £Nil) is due to The Howletts Wild Animal Trust and is repayable in full by 28 November 2027. Interest is charged at 2.45% above LIBOR.

A loan totalling £1,938,880 (2017: £1,926,232) was repaid in full during the year to The Howletts Wild Animal Trust. Interest was charged at 2.45% above base rate.

A loan totalling £258,750 (2017: £316,250) is due to The Aspinall Foundation and is repayable in full by 4 April 2020. Interest is charged at 2.5% above base rate.

A loan totalling £571,707 (2017: £647,189) is due to The Aspinall Foundation and is repayable in full by 30 March 2021. Interest is charged at 8%.

A loan totalling £336,520 (2017: £353,147) is due to The Aspinall Foundation and is repayable in full by 31 March 2023. Interest is charged at 8%.

A loan totalling £237,000 (2017: £Nil) is due to The Aspinall Foundation and is repayable in full by 31 December 2021. Interest is charged at 8%.

8 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
1,502,044 Ordinary shares of £1 each	1,502,044	1,502,044
887,985 Deferred ordinary shares of £1 each	887,985	887,985
	2,390,029	2,390,029

9 Audit report information

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

The auditor's report was unqualified.

The senior statutory auditor was Michelle Wilkes FCA.
The auditor was Wilkins Kennedy Audit Services.

10 Related party transactions

Remuneration of key management personnel
All directors' remuneration paid by the company during the year was done so under normal market conditions.

	2018	2017
	£	£
Aggregate compensation	94,472	92,232

11 Parent company

The company is controlled by its ultimate parent undertaking, by way of its 100% shareholding in the company. Being The Howletts Wild Animal Trust, a registered UK Charity.

Consolidated financial statements can be obtained from the registered office of The Howletts Wild Animal Trust, as follows;

Port Lympne Wild Animal Park
Port Lympne
Lympne
Kent
CT21 4PD