

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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HOWLETTS AND PORT LYMPNE ESTATES LIMITED

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HOWLETT'S AND PORT LYMPNE ESTATES LIMITED

BALANCE SHEET


AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets	4		42,460		49,952
Tangible assets	5		4,630,573		3,617,709
Current assets					
Stocks	6	174,709		240,232	
Debtors	7	2,643,501		1,825,716	
Cash at bank and in hand		263,310		159,891	
		3,081,520		2,225,839	
Creditors: amounts falling due within one year	8	(1,855,432)		(1,007,129)	
Net current assets			1,226,088		1,218,710
Total assets less current liabilities			5,899,121		4,886,371
Creditors: amounts falling due after more than one year	9		(2,919,518)		(2,257,664)
Net assets			2,979,603		2,628,707
Capital and reserves					
Called up share capital	11	2,390,029		2,390,029	
Share premium account		304,207		304,207	
Profit and loss reserves		285,367		(65,529)	
Total equity			2,979,603		2,628,707

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 17 SEPTEMBER 2018 and are signed on its behalf by:


J D A Aspinall
Director

Company Registration No. 01120626

HOWLETT'S AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of the Howletts Wild Animal Trust. These consolidated financial statements are available from its registered office; Port Lympne Wild Animal Park, Port Lympne, Kent, CT21 4PD.

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:

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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 cost or 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.

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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 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.

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

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 direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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.

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Deferred tax

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

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

1.12 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.

1.13 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 Judgements and key sources of estimation uncertainty

In the application of the company'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.

HOWLETTTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The company has recognised tangible fixed assets with a carrying value of £3,617,709 at the year end as disclosed in note 6. These assets are stated at their cost less provision for depreciation and impairment. The company's accounting policy sets out at note 1.5 the approach to calculating depreciation for these assets. For property improvements, the group determines at construction reliable estimates for the useful life of the asset. These estimates are based upon such factors as the expected use of the asset and market conditions. At subsequent reporting dates the directors consider whether there are any factors such as changes in market conditions that indicate a need to reconsider the estimates used.

Bad and doubtful debts

The value of trade debtors is sensitive to the recoverability in full of any invoices issued to each customer. Once the debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis. No provision for bad and doubtful debts is currently included in the accounts.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 204 (2016 - 225).

4 Intangible fixed assets

	Software	Website development costs	Total
	£	£	£
Cost			
At 1 January 2017	25,814	32,743	58,557
Additions	447	11,729	12,176
	<u>26,261</u>	<u>44,472</u>	<u>70,733</u>
At 31 December 2017	26,261	44,472	70,733
Amortisation and impairment			
At 1 January 2017	8,605	-	8,605
Amortisation charged for the year	8,754	10,914	19,668
	<u>17,359</u>	<u>10,914</u>	<u>28,273</u>
At 31 December 2017	17,359	10,914	28,273
Carrying amount			
At 31 December 2017	8,902	33,558	42,460
	<u>17,209</u>	<u>32,743</u>	<u>49,952</u>
At 31 December 2016	17,209	32,743	49,952

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Tangible fixed assets

	Assets under construction	Plant and equipment	Motor vehicles	Property improvements	Total
	£	£	£	£	£
Cost					
At 1 January 2017	233,787	677,468	149,853	5,978,600	7,039,708
Additions	7,291	1,143	-	1,394,543	1,402,977
At 31 December 2017	241,078	678,611	149,853	7,373,143	8,442,685
Depreciation and impairment					
At 1 January 2017	-	630,091	92,996	2,698,912	3,421,999
Depreciation charged in the year	-	11,479	14,604	364,030	390,113
At 31 December 2017	-	641,570	107,600	3,062,942	3,812,112
Carrying amount					
At 31 December 2017	241,078	37,041	42,253	4,310,201	4,630,573
At 31 December 2016	233,787	47,377	56,857	3,279,688	3,617,709

6 Stocks

	2017 £	2016 £
Catering stock	52,477	58,089
Retail stock	122,232	182,143
	174,709	240,232

7 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	31,205	33,797
Amounts owed by group undertakings	2,458,119	1,409,434
Other debtors	140,296	325,875
Prepayments and accrued income	13,881	56,610
	2,643,501	1,825,716

HOWLETTS AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Loan from group undertaking	116,205	65,074
Other loans	234,828	93,021
Trade creditors	226,379	156,722
Other taxation and social security	233,493	136,880
Other creditors	71,565	51,056
Accruals and deferred income	972,962	504,376
	<u>1,855,432</u>	<u>1,007,129</u>

9 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Loan from group undertaking	1,810,026	1,938,927
Other loans	1,081,728	290,067
Other creditors	27,764	28,670
	<u>2,919,518</u>	<u>2,257,664</u>

A loan totalling £1,926,232 (2016: £2,004,000) is due to The Howletts Wild Animal Trust and is repayable in full by 1 May 2019. Interest is charged at 2.95% above base rate.

A loan totalling £316,250 (2016: £383,088) is due to The Aspinall Foundation and is repayable in full by 4 April 2019. Interest is charged at 2.75%.

A loan totalling £647,189 (2016: £Nil) is due to The Aspinall Foundation and is repayable in full by 30 April 2021. Interest is charged at 8%.

A loan totalling £353,147 (2016: £Nil) is due to The Aspinall Foundation and is repayable in full by 31 August 2023. Interest is charged at 8%.

10 Loans and overdrafts

	2017 £	2016 £
Bank loans	1,926,231	2,004,001
Other loans	1,316,556	383,088
	<u>3,242,787</u>	<u>2,387,089</u>
Payable within one year	351,033	158,095
Payable after one year	2,891,754	2,228,994

HOWLETT'S AND PORT LYMPNE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Called up share capital

	2017 £	2016 £
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
	<u>2,390,029</u>	<u>2,390,029</u>

12 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.