

LAKE DISTRICT HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 JANUARY 2020

**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

**LAKE DISTRICT HOLDINGS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	<p>The Hon Mrs R I Adorian (deceased 30 November 2019) Mr R W Raynsford Mr P R W Hensman OBE Mrs G A Townsend Lady J D Boyd Mrs C M Seel Mr E J Clarkson Webb Mrs V J Russell (appointed 19 October 2020) Mrs A P Wix Mrs L C B Langton Mr T L W Raynsford Mr W I Simpson (deceased 20 May 2020) Mr R E W Hensman</p> <p>Mr P R W Hensman OBE (resigned 17 January 2020)</p>
<b>Company secretary</b>	<p>Mr J L Wood (appointed 17 January 2020)</p>
<b>President</b>	<p>The Hon Mrs Raynsford OBE</p>
<b>Registered office</b>	<p>Maudlands Maude Street Kendal Cumbria LA9 4QD</p>
<b>Independent auditors</b>	<p>Armstrong Watson Audit Limited Chartered Accountants and Statutory Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP</p>
<b>Registered number</b>	<p>02160419</p>

**LAKE DISTRICT HOLDINGS LIMITED**

**CONTENTS**

	Page
<b>Group Strategic Report</b>	1 - 3
<b>Directors' Report</b>	4 - 5
<b>Independent Auditors' Report</b>	6 - 8
<b>Consolidated Statement of Comprehensive Income</b>	9
<b>Consolidated Statement of Financial Position</b>	10 - 11
<b>Company Statement of Financial Position</b>	12
<b>Consolidated Statement of Changes in Equity</b>	13 - 15
<b>Company Statement of Changes in Equity</b>	16
<b>Consolidated Statement of Cash Flows</b>	17
<b>Analysis of Net Debt</b>	18
<b>Notes to the Financial Statements</b>	19 - 43

## LAKE DISTRICT HOLDINGS LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2020

#### Business review

#### Objectives

The group wishes to remain a leading, family-owned Cumbrian business specialising in tourism and leisure.

#### Strategy

The objectives will be delivered by:

- Achieving award winning/highest rated quality standards for our products and services
- Providing outstanding customer service
- Developing strong brands with high levels of awareness which drive demand and visitor numbers
- Developing our workforce so that they are well-trained, motivated and capable employees
- Acting sustainably and responsibly by putting environmental, community and health and safety considerations at the centre of everything we do.

#### Principal risks and uncertainties

The group is principally involved in the provision of visitor attractions and public transport, retail outlets and accommodation for visitors and others in the Lake District and Cumbria. As such, the principal risks it faces are:

- Events which deter or prevent holidaymakers travelling and using facilities which the group has to offer: such events would include health alarms and pandemics, terrorism and natural disasters, particularly storms and flooding. The group seeks to mitigate the impact of such events both by building in resilience and through insurance.
- The economic climate: holiday spending is discretionary and, at a time when people's budgets are under pressure, spending on holidays can be one of the first things to be cut. Exchange rates also have an effect with more people holidaying in the UK when Sterling is weak.
- Interest rates: the group has invested heavily in recent years with much of the funding provided by bank borrowing. As a result interest is now a significant cost. The group mitigates the risk of adverse interest rates through the use of financial instruments.
- The weather: the number of visitors is particularly dependent on good weather, especially in the main summer season between mid-July and the end of August when a substantial part of the income is earned. The group continues to weatherproof its facilities to enable visitors to enjoy themselves whatever the weather.
- Health and Safety: there are health and safety risks associated with the group's businesses. The group seeks to minimise the likelihood and potential effect of an accident by the implementation of rigorous health and safety policies. It also recognises that sometimes accidents are outside its control and protects itself from any claims that might consequently result by carrying good third-party insurance cover.

#### Performance during the year ended 31 January 2020

During 2019, the group continued to build its successful brand of holiday parks in outstanding locations. Sales of new lodges and caravans were strong; demand for the growing number and variety of self-catering holidays offered was also excellent; three safari tents were introduced at Hill of Oaks which proved particularly popular. To assist with the booking of these holidays a central reservation office was opened and showed an immediate benefit, fielding over 10,000 calls.

All holiday parks achieved 5-star status and gold David Bellamy awards.

Right at the end of the year, the group purchased Clea Hall Caravan Park near Wigton. This beautiful location, right on the less-visited northern edge of the Lake District National Park, brings further diversity and choice for customers and will contribute to profitability in 2020. Three tired cottages at Hill of Oaks are also being renovated and extended and will provide new, quality, self-catering options.



## **LAKE DISTRICT HOLDINGS LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020**

The retail shops had a difficult year with the downturn in demand for Beatrix Potter themed coins continuing and consumer spending being generally sluggish.

2019 saw the 160th anniversary of the commencement of steamer operations on Ullswater in 1859 and the 130th anniversary of the commissioning of MY Raven. These events were celebrated with stakeholders and supporters on a stunning evening in July with all the fleet performing joint manoeuvres. Sadly, however, the weather turned for the worse after that and a number of days sailing in peak season were lost through high winds and water levels. The pier extension at Glenridding came into operation at the start of the season and simplified the arrival and departure of boats and the movement of passengers, generally improving the visitor experience.

At the beginning of September, Pooley Bridge was closed to traffic to enable a new permanent bridge to be built. Although this is much needed for the longer term, it caused considerable disruption for steamer passengers and a reduction in trade which is likely to continue for much of 2020.

The Ravenglass & Eskdale Railway also had a difficult year. The poor weather during July and August led to disappointing visitor numbers and fare income. However, new arrangements with John Fowler Engineering for locomotive and rolling stock maintenance proved successful. Progress was also made towards the introduction of higher quality carriages which should command premium prices.

Work to modernise and to improve the Energy Performance ratings of the portfolio of residential properties continues. During the year, the remaining cottages the group owned at Newby Bridge were sold to South Lakes Housing. This will ensure that they remain available as rented accommodation for locals.

#### **Health & Safety**

Health and Safety continues to be taken very seriously throughout the businesses. The Prime monitoring system has now been adopted across all holiday parks and, in an adapted form, is being introduced at the attractions. The system helps to ensure good compliance with agreed policy and procedures.

#### **Financial key performance indicators**

The directors monitor the performance of the group through turnover, profitability and cash flow. Turnover grew 8.1% to £13.9m. Group profitability is shown on page 8 of this report. The Board also tracks gross margin – 66.5% (2019 – 67.9%).

**LAKE DISTRICT HOLDINGS LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

**Staff**

To achieve the high standards to which we aspire, the group needs a well-trained and motivated staff team. Emphasis continues on training and development with many group courses and training programmes arranged.

During the course of the year, a few long standing managers retired; we thank them for their years of service and dedication. We are delighted with the new talent that has joined the business, giving fresh perspective to our operations. This has also afforded the opportunity to subtly change some roles and responsibilities and to introduce a new Head of Finance position to support senior management by focusing on the forward-looking needs of the business.

The last few years have generated substantial turnover growth and it is rewarding to see how key team members have developed their skills and capabilities to adapt to the challenges of the larger business.

We are extremely lucky to employ a very professional and dedicated team. The Board are very grateful to all staff for the contribution they have made to these excellent results.

**Covid-19**

Since the year-end the world has been hit by the Covid-19 pandemic. The group, with its focus on tourism and leisure has been badly affected and most of the activities had to close from 24th March to July. The diversity of our business has meant that some parts have been worse affected than others. For instance, the demand for lodges, caravans and self-catering holidays recovered strongly once these activities were permitted again whereas the capacity restrictions required to meet social distancing guidelines at Ullswater Steamers have made trading very difficult. The group has made extensive use of the Government's Job Retention Scheme (furlough) to maintain employment and severely pruned capital expenditure to maintain cash reserves. The Board also considered it wrong to pay any dividend in such uncertain times and the 2019 dividend payment due in April 2020 was cut. Although the 2020 season in some of our businesses has not been as poor as feared, it is inevitable that the results for the year to 31 January 2021 will suffer.

This report was approved by the board and signed on its behalf.

**Mr P R W Hensman OBE**  
**Director**

Date: 21 December 2020

## LAKE DISTRICT HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2020

The directors present their report and the financial statements for the year ended 31 January 2020.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

The principal activity of the group is the provision of visitor attractions and public transport, retail outlets and accommodation for visitors and others in the Lake District and Cumbria.

#### Results and dividends

The profit for the year, after taxation, amounted to £2,350,082 (2019 - £1,551,797).

Dividends of £245,000 (2019: £140,000) were paid during the year.

#### Directors

The directors who served during the year were:

The Hon Mrs R I Adorian (deceased 30 November 2019)

Mr R W Raynsford

Mr P R W Hensman OBE

Mrs G A Townsend

Lady J D Boyd

Mrs C M Seel

Mr E J Clarkson Webb

Mrs A P Wix

Mrs L C B Langton

Mr T L W Raynsford

Mr W I Simpson (deceased 20 May 2020)

Mr R E W Hensman



## LAKE DISTRICT HOLDINGS LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

#### Future developments

There are no significant future developments which will have a material impact on the Group going forward.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

#### Post balance sheet events

In March 2020 the Covid-19 pandemic forced the UK Government to restrict the movement of people and close some sectors of the economy. The leisure, tourism and general retail sectors were amongst those required to close. As a result, all the group's operations ceased activities temporarily on 21 March. After the Government announced a gradual relaxation in the lockdown for tourism related businesses from 4 July, activities were re-started as soon as Covid-safe measures could be put in place.

A further closure was necessary from 4 November. The group has been able to take advantage of the Government's Coronavirus Job Retention Scheme (furlough) to avoid redundancies but minimise wage and salary costs. The cancellation of business rates and new Government grants to affected businesses have also helped to limit damage to cash flow. In addition, the Directors took steps to minimise the impact of the lockdown by pausing all capital projects, agreeing with the group's bankers to defer loan repayments, negotiating a £1m increase in banking facilities and cancelling dividend payments

#### Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**Mr J L Wood**  
Secretary

Date: 21 December 2020

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAKE DISTRICT HOLDINGS LIMITED**

**Opinion**

We have audited the financial statements of Lake District Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 January 2020, which comprise the Group Statement of Comprehensive Income, the Group and company Statements of Financial Position, the Group Statement of Cash Flows, the Group and company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 of the parent company's affairs as at 31 January 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAKE DISTRICT HOLDINGS LIMITED (CONTINUED)

**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 Auditors' 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAKE DISTRICT HOLDINGS LIMITED (CONTINUED)

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the company's members 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 for our audit work, for this report, or for the opinions we have formed.

Andrew Kennon (Senior Statutory Auditor)  
for and on behalf of

**Armstrong Watson Audit Limited**  
Chartered Accountants and Statutory Auditors  
Carlisle

13 January 2021

LAKE DISTRICT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2020

	Note	2020 £	As restated 2019 £
Turnover	4	13,928,065	12,880,833
Cost of sales		(4,670,759)	(4,133,834)
<b>Gross profit</b>		<b>9,257,306</b>	<b>8,746,999</b>
Administrative expenses		(7,715,134)	(7,144,158)
Exceptional profit/(loss) on disposal of fixed assets		71,897	239,782
Fair value movements		1,930,000	338,066
<b>Operating profit</b>	5	<b>3,544,069</b>	<b>2,180,689</b>
Amounts written off investments		(100)	-
Interest receivable and similar income	9	9,755	10,303
Interest payable and expenses	10	(434,339)	(406,093)
Other finance income		72,905	60,737
<b>Profit before taxation</b>		<b>3,192,290</b>	<b>1,845,636</b>
Tax on profit	11	(842,208)	(293,839)
<b>Profit for the financial year</b>		<b>2,350,082</b>	<b>1,551,797</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		2,350,082	1,551,797
		<b>2,350,082</b>	<b>1,551,797</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 19 to 43 form part of these financial statements.

**LAKE DISTRICT HOLDINGS LIMITED**  
**REGISTERED NUMBER: 02160419**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	<i>As restated</i> 2019 £
<b>Fixed assets</b>			
Intangible assets	14	161,021	202,176
Tangible assets	15	21,743,976	15,389,807
Investments	16	4,182	4,282
Investment property	17	25,704,001	24,687,000
		<u>47,613,180</u>	<u>40,283,265</u>
<b>Current assets</b>			
Stocks	18	1,711,375	1,777,333
Debtors: amounts falling due within one year	19	1,207,315	946,111
Cash at bank and in hand	20	274,508	173,186
		<u>3,193,198</u>	<u>2,896,630</u>
Creditors: amounts falling due within one year	21	(5,910,121)	(6,552,894)
<b>Net current liabilities</b>		<u>(2,716,923)</u>	<u>(3,656,264)</u>
<b>Total assets less current liabilities</b>		<u>44,896,257</u>	<u>36,627,001</u>
Creditors: amounts falling due after more than one year	22	(12,901,408)	(7,463,101)
<b>Provisions for liabilities</b>			
Deferred taxation	25	(3,459,245)	(2,733,378)
		<u>(3,459,245)</u>	<u>(2,733,378)</u>
<b>Net assets</b>		<u><u>28,535,604</u></u>	<u><u>26,430,522</u></u>

**LAKE DISTRICT HOLDINGS LIMITED**  
**REGISTERED NUMBER: 02160419**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	2019 £
<b>Capital and reserves</b>			
Called up share capital	26	10,000	10,000
Share premium account	27	211,455	211,455
Fair value reserve - investment property	27	12,485,246	11,764,558
Land and buildings revaluation reserve	27	176,002	172,160
Other reserves	27	135,465	135,465
Profit and loss account	27	15,517,408	14,136,856
<b>Equity attributable to owners of the parent company</b>		<b>28,535,576</b>	<b>26,430,494</b>
Non-controlling interests		28	28
		<b>28,535,604</b>	<b>26,430,522</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2020.

**Mr P R W Hensman OBE**  
Director

**Mrs G A Townsend**  
Director

The notes on pages 19 to 43 form part of these financial statements.

**LAKE DISTRICT HOLDINGS LIMITED**  
**REGISTERED NUMBER: 02160419**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	<i>As restated</i> 2019 £
<b>Fixed assets</b>			
Investments	16	43,238	43,238
		<u>43,238</u>	<u>43,238</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	19	4,311,046	3,591,763
Debtors: amounts falling due within one year	19	29,350	62,609
Cash at bank and in hand	20	45,724	45,601
		<u>4,386,120</u>	<u>3,699,973</u>
Creditors: amounts falling due within one year	21	(264,697)	(165,568)
<b>Net current assets</b>		<u>4,121,423</u>	<u>3,534,405</u>
<b>Total assets less current liabilities</b>		<u>4,164,661</u>	<u>3,577,643</u>
<b>Net assets</b>		<u><u>4,164,661</u></u>	<u><u>3,577,643</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	10,000	10,000
Share premium account	27	211,455	211,455
Profit and loss account brought forward		3,356,188	2,674,313
Profit for the year		832,018	821,875
Dividends		<u>(245,000)</u>	<u>(140,000)</u>
Profit and loss account carried forward		<u>3,943,206</u>	<u>3,356,188</u>
		<u><u>4,164,661</u></u>	<u><u>3,577,643</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2020.

**Mr P R W Hensman OBE**  
Director

**Mrs G A Townsend**  
Director

The notes on pages 19 to 43 form part of these financial statements.



LAKE DISTRICT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020

	Called up share capital	Share premium account	Fair value reserve - investment property	Land and buildings evaluation reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent company	controlling interests
	£	£	£	£	£	£	£	£
<b>At 1 February 2018</b>	10,000	211,455	11,569,319	173,439	135,465	12,919,019	25,018,697	28
<b>Comprehensive income for the year</b>	-	-	-	-	-	1,551,797	1,551,797	-
Profit for the year								
Deficit on revaluation of other fixed assets	-	-	-	-	-	(195,239)	(195,239)	-
Transfer between other reserves	-	-	-	(1,279)	-	-	(1,279)	-
Dividends: Equity capital	-	-	-	-	-	(140,000)	(140,000)	-
Transfer to/from profit and loss account	-	-	195,239	-	-	-	195,239	-
Transfer between other reserves	-	-	-	-	-	1,279	1,279	-

LAKE DISTRICT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2019

								Total equity £
								25,018,725
<b>At 1 February 2018</b>								
<b>Comprehensive income for the year</b>								<b>1,551,797</b>
Profit for the year								
Deficit on revaluation of other fixed assets								(195,239)
Transfer between other reserves								(1,279)
Dividends: Equity capital								(140,000)
Transfer to/from profit and loss account								195,239
Transfer between other reserves								1,279
<b>At 1 February 2019</b>	10,000	211,455	11,764,558	172,160	135,465	14,136,856	26,430,494	28
	-	-	-	-	-	2,350,082	2,350,082	-
Profit for the year								
Surplus on revaluation of freehold property	-	-	1,401,260	-	-	(1,401,260)	-	-
Transfer to/from profit and loss account	-	-	-	-	-	680,572	680,572	-
Transfer between other reserves	-	-	-	3,842	-	-	3,842	-
Dividends: Equity capital	-	-	-	-	-	(245,000)	(245,000)	-
Transfer to/from profit and loss account	-	-	(680,572)	-	-	-	(680,572)	-
Transfer between other reserves	-	-	-	-	-	(3,842)	(3,842)	-
<b>At 31 January 2020</b>	10,000	211,455	12,485,246	176,002	135,465	15,517,408	28,535,576	28

**LAKE DISTRICT HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

	<u>26,430,522</u>
<b>At 1 February 2019</b>	
	<b>2,350,082</b>
Profit for the year	<u>-</u>
Surplus on revaluation of freehold property	<b>680,572</b>
Transfer to/from profit and loss account	<b>3,842</b>
Transfer between other reserves	<b>(245,000)</b>
Dividends: Equity capital	<b>(680,572)</b>
Transfer to/from profit and loss account	<b>(3,842)</b>
Transfer between other reserves	<u><b>28,535,604</b></u>
<b>At 31 January 2020</b>	

The notes on pages 19 to 43 form part of these financial statements.

**LAKE DISTRICT HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 February 2018</b>	<b>10,000</b>	<b>211,455</b>	<b>2,674,313</b>	<b>2,895,768</b>
Profit for the year	-	-	821,875	821,875
Dividends: Equity capital	-	-	(140,000)	(140,000)
<b>At 1 February 2019</b>	<b>10,000</b>	<b>211,455</b>	<b>3,356,188</b>	<b>3,577,643</b>
Profit for the year	-	-	832,018	832,018
Dividends: Equity capital	-	-	(245,000)	(245,000)
<b>At 31 January 2020</b>	<b>10,000</b>	<b>211,455</b>	<b>3,943,206</b>	<b>4,164,661</b>

The notes on pages 19 to 43 form part of these financial statements.

LAKE DISTRICT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2020

	2020 £	As restated 2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,350,082	1,551,796
<b>Adjustments for:</b>		
Amortisation of intangible assets	41,155	42,602
Depreciation of tangible assets	539,475	531,132
Profit on disposal of tangible assets	(71,897)	(239,782)
Interest paid	424,584	406,093
Interest received	9,755	(10,303)
Taxation charge	842,208	293,839
Decrease/(increase) in stocks	65,958	(178,260)
(Increase) in debtors	(233,041)	(104,940)
Increase in creditors	590,936	600,787
Net fair value (gains) recognised in P&L	(1,930,000)	(338,066)
Corporation tax (paid)	(192,080)	(116,671)
<b>Net cash generated from operating activities</b>	<b>2,437,135</b>	<b>2,438,227</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(7,007,395)	(1,510,713)
Sale of tangible fixed assets	183,646	665,645
Sale of investment properties	841,999	-
Sale of unlisted and other investments	100	-
Purchase of unlisted and other investments	-	10,303
<b>Net cash from investing activities</b>	<b>(5,981,650)</b>	<b>(834,765)</b>
<b>Cash flows from financing activities</b>		
New / (repayment) of loans	4,800,943	(898,086)
Repayment of other loans	(50,000)	(10,000)
Dividends paid	(245,000)	(140,000)
Interest paid	(434,339)	(406,093)
<b>Net cash used in financing activities</b>	<b>4,071,604</b>	<b>(1,454,179)</b>
<b>Net increase in cash and cash equivalents</b>	<b>527,089</b>	<b>149,283</b>
Cash and cash equivalents at beginning of year	(1,283,240)	(1,432,524)
<b>Cash and cash equivalents at the end of year</b>	<b>(756,151)</b>	<b>(1,283,241)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	274,508	173,186
Bank overdrafts	(1,030,659)	(1,456,427)
	<b>(756,151)</b>	<b>(1,283,241)</b>

**LAKE DISTRICT HOLDINGS LIMITED**

**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 JANUARY 2020**

	At 1 February 2019 £	Cash flows £	At 31 January 2020 £
Cash at bank and in hand	173,186	101,322	274,508
Bank overdrafts	(1,456,426)	425,766	(1,030,660)
Debt due after 1 year	(7,428,250)	(5,345,241)	(12,773,491)
Debt due within 1 year	(2,268,457)	594,297	(1,674,160)
	<u>(10,979,947)</u>	<u>(4,223,856)</u>	<u>(15,203,803)</u>

The notes on pages 19 to 43 form part of these financial statements.

## LAKE DISTRICT HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

#### 1. General information

Lake District Holdings Limited ('the company') is a limited company incorporated in the United Kingdom. The address of its registered office and principal place of business is Maudlands, Maude Street, Kendal, Cumbria, LA9 4QD.

The principal activity of the group is the provision of visitor attractions and public transport, retail outlets and accommodation for visitors and others in the Lake District and Cumbria.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 November 2014.

##### 2.3 Going concern

At the balance sheet date, the Group had net assets of £28,536k, net current liabilities of £2,717k after making a profit for the year of £2,350k. The Group therefore enters the pandemic as outlined in the Post Balance Sheet Event note in a strong position.

In addition, as explained in the Post Balance Sheet Events note, the Directors have taken action to conserve cash resources by pausing all capital projects, agreeing with the Group's bankers the deferment of loan repayments and cancelling dividend payments. They have also agreed a £1m increase in banking facilities. On this basis the Directors have prepared cashflow forecasts to ensure that the company has sufficient cash to meet its liabilities as they fall due. These project sufficient cash reserves as at December 2021. Consequently and as a result of the Group's continuing strong capital base the Directors believe that the Group remains a going concern.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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 Group 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.

**2.5 Operating leases: the Group as lessor**

Rentals income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**2. Accounting policies (continued)**

**2.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.11 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**2. Accounting policies (continued)**

**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.13 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**2. Accounting policies (continued)****2.14 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	20	years
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**2.15 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% on cost or valuation
Plant and machinery	-	between 10% and 25% on cost
Motor vehicles	-	25% on cost
Caravan site services	-	5% on cost
Passenger craft	-	between 2% and 5% on cost
Equipment and boats	-	between 20% and 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**2. Accounting policies (continued)**

**2.16 Investment property**

Investment property is carried at fair value, the decision to revalue is determined by the directors annually and any valuation is carried out by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the Statement of Comprehensive Income.

Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.18 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.19 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.20 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.21 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.22 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**2. Accounting policies (continued)**

**2.22 Financial instruments (continued)**

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.23 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of these financial statements require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgments and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Establishing useful economic lives for depreciation purposes of property, plant and equipment

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total fixed assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual values. The directors regularly review these assets useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation charges for the period. Details of the depreciation policies based on estimated useful economic lives are included in accounting policies note 2.15.

(b) Providing for doubtful debts

It is necessary to consider the recoverability of trade debtors. When calculating the bad debt provision, management considers the estimated recoverable value. The level of provision required is reviewed on an on-going basis.

c) Revaluation of investment property

Under FRS102, investment property must be accounted for at its fair value in the financial statements. The directors have carried out a revaluation during the year, which required their judgement to apply reasonable assumptions when calculating the true and fair value of each investment property. The directors deemed using a yield percentage of annual rental income an appropriate measure to calculate the fair value of each investment property to the company.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Ownership and operation of caravan parks and other property	8,939,963	7,779,400
Passenger craft on Lake Ullswater	1,626,220	1,976,952
Specialised retail outlets	1,295,438	1,112,939
Narrow gauge passenger railway	2,066,444	2,011,542
	<u>13,928,065</u>	<u>12,880,833</u>

All turnover arose within the United Kingdom.

**LAKE DISTRICT HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	541,478	531,132
Fair value movements on derivatives	(72,905)	(60,767)
Fair value movements on investment property	(1,930,000)	(338,066)
Other operating lease rentals	140,555	77,459
Defined contribution pension cost	133,237	107,618
Amortisation of intangible assets, including goodwill	<u>41,155</u>	<u>42,602</u>

**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>27,202</u>	<u>26,410</u>

**Fees payable to the Group's auditor and its associates in respect of:**

All other services	<u>6,225</u>	9,190
	<u>6,225</u>	<u>9,190</u>

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

7. Employees

Staff costs, including directors' remuneration, were as follows:

	<b>Group</b> <b>2020</b> £	Group 2019 £	<b>Company</b> <b>2020</b> £	Company 2019 £
Wages and salaries	<b>3,623,678</b>	3,385,246	<b>758,355</b>	719,369
Social security costs	<b>279,740</b>	241,125	<b>77,162</b>	59,239
Cost of defined contribution scheme	<b>133,237</b>	107,618	<b>29,115</b>	22,697
	<b><u>4,036,655</u></b>	<u>3,733,989</u>	<b><u>864,632</u></b>	<u>801,305</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Group</b> <b>2020</b> No.	Group 2019 No.	<b>Company</b> <b>2020</b> No.	Company 2019 No.
Management	<b>18</b>	11	9	7
Administration	<b>12</b>	11	6	11
Operations	<b>161</b>	151	12	5
	<b><u>191</u></b>	<u>173</u>	<b><u>27</u></b>	<u>23</u>

8. Directors' remuneration

	<b>2020</b> £	2019 £
Directors' emoluments	<b>278,041</b>	354,026
	<b><u>278,041</u></b>	<u>354,026</u>

9. Interest receivable

	<b>2020</b> £	2019 £
Other interest receivable	<b>9,755</b>	10,303
	<b><u>9,755</u></b>	<u>10,303</u>



LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	433,333	405,002
Other loan interest payable	1,006	1,091
	<u>434,339</u>	<u>406,093</u>

11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	116,341	263,943
Adjustments in respect of previous periods	-	(26,795)
	<u>116,341</u>	<u>237,148</u>
<b>Total current tax</b>	<u>116,341</u>	<u>237,148</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	187,115	19,279
Tax losses	(5,007)	(3,893)
Adjustments in respect of prior periods	-	5,278
Rolled over chargeable gains	15,019	62,352
Movement on revaluation surplus	528,740	(26,325)
	<u>725,867</u>	<u>56,691</u>
<b>Total deferred tax</b>	<u>725,867</u>	<u>56,691</u>
<b>Taxation on profit on ordinary activities</b>	<u>842,208</u>	<u>293,839</u>

**LAKE DISTRICT HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	<b>2020</b>	2019
	<b>£</b>	£
Profit on ordinary activities before tax	<u><b>3,192,290</b></u>	<u>1,845,636</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>606,535</b>	350,671
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>5,295</b>	150
Capital allowances for year in excess of depreciation	<b>(153,575)</b>	(52,677)
Intangible asset amortisation not allowed	<b>1,408</b>	1,390
Adjustments to tax charge in respect of prior periods	-	(26,795)
Other timing differences leading to an increase (decrease) in taxation	<b>(2,451)</b>	(79)
Capital gains	<b>33,146</b>	27,532
Fair value adjustment	<b>(366,700)</b>	(64,233)
Movement in deferred tax	<b>725,437</b>	56,691
Movement in provisions	-	1,189
Other tax charge (relief) on exceptional items	<b>(6,887)</b>	-
<b>Total tax charge for the year</b>	<u><b>842,208</b></u>	<u>293,839</u>

**Factors that may affect future tax charges**

The substantively enacted tax rate for all future periods is 19%.

**12. Dividends**

	<b>2020</b>	2019
	<b>£</b>	£
Dividends on ordinary shares	<u><b>245,000</b></u>	<u>140,000</u>
	<u><b>245,000</b></u>	<u>140,000</u>

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

13. Exceptional items

	2020 £	2019 £
Profit on disposal of fixed asset	71,897	239,782
	<u>71,897</u>	<u>239,782</u>

14. Intangible assets

Group and Company

	Goodwill £
<b>Cost</b>	
At 1 February 2019	827,611
At 31 January 2020	<u>827,611</u>
<b>Amortisation</b>	
At 1 February 2019	625,435
Charge for the year on owned assets	41,155
At 31 January 2020	<u>666,590</u>
<b>Net book value</b>	
At 31 January 2020	<u>161,021</u>
At 31 January 2019	<u>202,176</u>

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

15. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 February 2019 (as previously stated)	12,614,614	8,154,111	363,464	21,132,189
Prior Year Adjustment	(551,497)	-	-	(551,497)
At 1 February 2019 (as restated)	12,063,117	8,154,111	363,464	20,580,692
Additions	6,164,999	805,482	36,914	7,007,395
Disposals	(72,923)	(65,636)	(13,428)	(151,987)
At 31 January 2020	18,155,193	8,893,957	386,950	27,436,100
<b>Depreciation</b>				
At 1 February 2019	811,987	4,079,160	299,737	5,190,884
Charge for the year on owned assets	29,317	471,971	40,190	541,478
Disposals	-	(26,800)	(13,438)	(40,238)
At 31 January 2020	841,304	4,524,331	326,489	5,692,124
<b>Net book value</b>				
At 31 January 2020	17,313,889	4,369,626	60,461	21,743,976
At 31 January 2019 (as restated)	11,251,130	4,074,950	63,727	15,389,807

The carrying value of freehold land which is not subject to depreciation is £4,108,424 (2019 - £3,855,279).

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

15. Tangible fixed assets (continued)

Company

	Plant and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 February 2019	46,051	26,506	72,557
At 31 January 2020	46,051	26,506	72,557
<b>Depreciation</b>			
At 1 February 2019	46,051	26,506	72,557
At 31 January 2020	46,051	26,506	72,557
<b>Net book value</b>			
At 31 January 2020	-	-	-
<b>At 31 January 2019</b>	-	-	-

16. Fixed asset investments

Group

	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 February 2019	242	4,040	4,282
Disposals	(100)	-	(100)
At 31 January 2020	142	4,040	4,182

**LAKE DISTRICT HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**Company**

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 February 2019	39,198	4,040	43,238
At 31 January 2020	39,198	4,040	43,238

**Listed investments**

The aggregate market value of listed investments is £630 (2019 - £630) which differs from the carrying value in the financial statements.

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Lake District Estates Company Limited		100
Ullswater Navigation and Transit Company Limited	Ordinary	99.87
The Ravenglass and Eskdale Railway Company Limited	Ordinary	100
Newby Bridge Caravans Limited	Ordinary	100

All subsidiary undertakings are incorporated in the United Kingdom and share the same registered office as Lake District Holdings Limited.

The Group's 100% ordinary share holding in Railway Cottages (Newby Bridge) Limited was disposed of during the year.

The aggregate of the share capital and reserves as at 31 January 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Lake District Estates Company Limited	21,826,673	2,405,685
Ullswater Navigation and Transit Company Limited	22,000	-
The Ravenglass and Eskdale Railway Company Limited	2,561,573	(87,514)
Newby Bridge Caravans Limited	-	-

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

17. Investment property

Group

	Freehold investment property £
<b>Valuation</b>	
At 1 February 2019	24,687,000
Disposals	(841,999)
Surplus on revaluation	1,930,000
Transfers between classes	(71,000)
<b>At 31 January 2020</b>	<b>25,704,001</b>

The 2020 valuations were made by the Directors, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2020 £	2019 £
Historic cost	10,246,010	10,341,492
Accumulated depreciation and impairments	(407,613)	(206,830)
	<b>9,838,397</b>	<b>10,134,662</b>

18. Stocks

	Group 2020 £	Group 2019 £
Raw materials	19,236	17,938
Goods for resale	1,692,139	1,759,398
	<b>1,711,375</b>	<b>1,777,336</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

19. Debtors

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	<b>4,311,046</b>	3,591,763
	<u>-</u>	<u>-</u>	<u><b>4,311,046</b></u>	<u>3,591,763</u>
	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
<b>Due within one year</b>				
Trade debtors	<b>653,292</b>	550,842	-	-
Other debtors	<b>109,044</b>	65,316	<b>19,816</b>	21,816
Prepayments and accrued income	<b>444,979</b>	329,953	<b>3,694</b>	34,523
Deferred taxation	-	-	<b>5,840</b>	6,270
	<u><b>1,207,315</b></u>	<u>946,111</u>	<u><b>29,350</b></u>	<u>62,609</u>

20. Cash and cash equivalents

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Cash at bank and in hand	<b>274,508</b>	173,186	<b>45,724</b>	45,601
Less: bank overdrafts	<b>(1,030,660)</b>	(1,456,426)	-	-
	<u><b>(756,152)</b></u>	<u>(1,283,240)</u>	<u><b>45,724</b></u>	<u>45,601</u>



LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	1,030,660	1,456,426	-	-
Bank loans	1,664,160	2,258,457	-	-
Other loans	10,000	10,000	-	-
Trade creditors	746,979	751,034	-	-
Corporation tax	20,908	68,484	20,908	19,490
Other taxation and social security	240,718	132,023	192,869	90,242
Other creditors	-	70,613	-	-
Accruals and deferred income	2,196,696	1,805,857	50,920	55,836
	<u>5,910,121</u>	<u>6,552,894</u>	<u>264,697</u>	<u>165,568</u>

Included in deferred income due within one year is £1,792 relating to a deferred government grant.

22. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Debentures loans	66,700	76,700
Bank loans	12,706,791	7,351,550
Other creditors	41,901	34,851
Accruals and deferred income	86,016	-
	<u>12,901,408</u>	<u>7,463,101</u>

The bank loans included above are secured by a legal charge over specific land and buildings held by the group.

The group has two unsecured loans. One of £26,700 is repayable on the winding up of a subsidiary company, or in the event of a binding contract being entered into by a subsidiary company for the sale of its physical assets employed in the operation of the railway. The second loan of £100,000 is repayable in ten equal instalments over 10 years with the first repayment having been made on 31 October 2015. It bears interest at 1% over base rate. The total amount outstanding on this loan at the year end date is £50,000 (2019 - £60,000) of which £10,000 is due within one year.

Included in deferred income due more than one year is £33,891 relating to a deferred government grant.

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

23. Loans

The group has variable rate bank loans secured with fixed and floating charges against certain assets of the group. Interest is payable at variable rates, at between 1.1% and 2.8% above the Bank of England

Base Rate.

To minimise exposure to interest rate fluctuations, the group has entered into two hedging arrangements. The principle amount secured was £1,168,241 and this existing contract matures on 19/10/20. At the balance sheet date the valuation of this interest rate swap was £15,245 and is included in debtors (2019 - £57,660 creditor).

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
<b>Amounts falling due within one year</b>		
Bank loans	<b>1,664,160</b>	2,258,457
Other loans	<b>10,000</b>	10,000
	<b>1,674,160</b>	2,268,457
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>1,192,825</b>	2,716,445
Other loans	<b>66,700</b>	76,700
	<b>1,259,525</b>	2,793,145
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>3,821,563</b>	1,766,315
	<b>3,821,563</b>	1,766,315
<b>Amounts falling due after more than 5 years</b>		
Bank loans	<b>7,692,403</b>	2,868,790
	<b>7,692,403</b>	2,868,790
	<b>14,447,651</b>	9,696,707

The company has no borrowings or debt obligations at the year end date.

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

24. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	278,548	177,226	49,764	49,641
Financial assets that are debt instruments measured at amortised cost	734,173	616,158	-	3,613,579
	<u>1,012,721</u>	<u>793,384</u>	<u>49,764</u>	<u>3,663,220</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(18,549,902)</u>	<u>(13,815,490)</u>	<u>-</u>	<u>(55,836)</u>

Financial assets measured at fair value through profit or loss comprise bank and cash.

Financial assets that are debt instruments measured at amortised cost comprise intercompany balances and other debtors.

Financial liabilities measured at amortised cost comprise intercompany balances, other creditors and accruals and deferred income.

25. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(2,733,378)	(2,676,687)
Charged to profit or loss	(725,867)	(56,691)
<b>At end of year</b>	<u>(3,459,245)</u>	<u>(2,733,378)</u>

LAKE DISTRICT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

25. Deferred taxation (continued)

Company

	2020 £	2019 £
At beginning of year	6,270	4,442
Charged to profit or loss	(430)	1,828
<b>At end of year</b>	<b>5,840</b>	<b>6,270</b>

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(745,469)	(564,794)	3,193	3,623
Tax losses carried forward and other timing differences	2,647	3,690	2,647	2,647
Rolled over chargeable gains	(79,049)	(62,352)	-	-
Deferred tax on revaluation surplus	(2,637,374)	(2,109,922)	-	-
	<b>(3,459,245)</b>	<b>(2,733,378)</b>	<b>5,840</b>	<b>6,270</b>

26. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
200,000 (2019 - 200,000) Ordinary shares of £0.05 each	<b>10,000</b>	<b>10,000</b>

The Company has one class of ordinary shares which carry equal voting rights but no right to fixed income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**27. Reserves**

**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

**Revaluation reserve**

This reserve represents the cumulative revaluation gains and losses on revaluation of land and buildings held as tangible assets.

**Investment property revaluation reserve**

This reserve represents the cumulative revaluation gains and losses on revaluation of investment properties held by the group less any deferred tax recognised in respect of this property.

**Other reserves**

This reserve represents amounts arising on consolidation of the group.

**Land and buildings revaluation reserve**

This reserve represents the cumulative revaluation gains and losses on revaluation of land and buildings held as tangible assets.

**Profit and loss account**

This reserve represents cumulative profits and losses.

**28. Prior year adjustment**

The prior year a land asset was included included as both property and investment property. A prior period adjustment to correct this has been made, reducing brought forward freehold property by £551,497 and reducing the revaluation reserve within equity by the same amount. There is no impact on deferred taxation or the Statement of Comprehensive income for either the comparative or current year.

**29. Contingent liabilities**

The group is party to a Composite Accounting Agreement dated 22 January 2019 with Barclays Bank and 30 December 2019 with Lloyds Bank PLC. Under the terms of each agreement, the bank is authorised to set-off for interest purposes and in certain circumstances to off-set the credit balances and apply them in reduction of liabilities including debit balances within the agreement.

An unlimited guarantee has been given by the group companies in respect of the group's borrowings with Barclays Bank Plc.

**LAKE DISTRICT HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**30. Capital commitments**

At 31 January 2020 the Group and company had capital commitments as follows:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Contracted for but not provided in these financial statements	<b>81,000</b>	51,600
	<b><u>81,000</u></b>	<u>51,600</u>

**31. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £133,237 (2019 - £107,619). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the reporting date.

**32. Commitments under operating leases**

At 31 January 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Not later than 1 year	<b>94,950</b>	66,629
Later than 1 year and not later than 5 years	<b>268,172</b>	210,659
Later than 5 years	<b>315,153</b>	220,001
	<b><u>678,275</u></b>	<u>497,289</u>

A total of £140,555 was recognised as an operating lease expense in the period (2019 - £77,459).

**33. Transactions with directors**

An amount of £19,816 (2019 - £21,816) is owed to the group by a director. The loan is interest free and is being repaid at a minimum of £2,000 per annum.

**34. Related party transactions**

The company have taken advantage of the exemptions included in FRS102 section 33 'Related Party Disclosures' not to disclose transactions entered into between wholly owned group members.

Key management personnel remuneration in the period amounted to £505,463 (2019 - £505,920).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

**35. Post balance sheet events**

In March 2020 the Covid-19 pandemic forced the UK Government to restrict the movement of people and close some sectors of the economy. The leisure, tourism and general retail sectors were amongst those required to close. As a result, all the group's operations ceased activities temporarily on 21 March. After the Government announced a gradual relaxation in the lockdown for tourism related businesses from 4 July, activities were re-started as soon as Covid-safe measures could be put in place.

A further closure was necessary from 4 November. The group has been able to take advantage of the Government's Coronavirus Job Retention Scheme (furlough) to avoid redundancies but minimise wage and salary costs. The cancellation of business rates and new Government grants to affected businesses have also helped to limit damage to cash flow. In addition, the Directors took steps to minimise the impact of the lockdown by pausing all capital projects, agreeing with the group's bankers to defer loan repayments, negotiating a £1m increase in banking facilities and cancelling dividend payments.

The Directors have outlined why they deem the company to be a going concern in light of this event in accounting policy 2.3.

**36. Controlling party**

In the opinion of the directors, there is no ultimate controlling party.

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