

VECTIS HOLDINGS LIMITED
GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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VECTIS HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:

A W Dabell
C J Hampton
Mrs R K C Ryan
M R Turtle

SECRETARY:

M R Turtle

REGISTERED OFFICE:

Blackgang Chine
Blackgang
Ventnor
Isle of Wight
PO38 2HN

REGISTERED NUMBER:

01552172 (England and Wales)

AUDITORS:

Bright Brown Limited
Chartered Accountants
Statutory Auditor
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS

Market Condition

The core of our business, our two parks, Blackgang Chine and Robin Hill ("The Parks") opening was delayed until 19 May 2021 due to the then ongoing national lockdown due to COVID-19.

Once the Park opened, from an operational perspective, business continued as planned during the Whitsun and main summer school holiday period. In addition, a further enhanced Halloween offering, building still further on the success of the previous few years, proved beneficial. The year end, with the winter opening in December, where Robin Hill opened for Polar only, also performed to expectations.

The Parks produced a sound commercial performance aided by the UK "Staycation" market due to the reluctance of many families with young children to holiday overseas and the seemingly high availability of disposable income which provided a strong performance from the Park's Retail and Food and Beverage Departments from a spend per head (£) basis.

By considering the Impact of Covid 19 and the loss in trade during the first half of the year, turnover for the Parks for the period stood at £6,642,667 an increase of £3,872,451 over 2020 resulting in the combined EBITDA for the Parks being £2,687,199 an increase of £2,276,452 over 2020 (loss: £79,253). The large variance between the two year is due to a reduced period of opening 2020, and a boom in the staycation market in 2021, both down to the impact of COVID-19.

The Park suffered the same challenges as many businesses during the period, revolving around staff recruitment for our seasonal team members, COVID-19 related self-isolation issues, availability of foodstuffs for the Park's Food and Beverage operation and general fluctuations in costs of the wide range of products and services that the Park needs to source to operate. However, with planning, experience and the adverse effects of these issues were minimised as much as was possible.

The Park will continue its strategy to continually invest in both infrastructure, systems, and new attractions to enhance still further the experience of our guests and to continually improve operational efficiencies and controls.

Despite the challenging year the Park took the experiences of the previous season and built on these to its advantage to produce what the Directors feel was a strong financial performance and places the business in a strong position to move forward into the forthcoming year with confidence, despite the inevitable uncertainties that exist.

Employees

The business recognises that its staff are one of its prime assets and therefore continually invests in both training and development to ensure the teams are able to gain continual improvement and keep ahead of trends and best practice in the many diverse areas the Park operates in. As the business continues to update its equipment and procedures it is critical that all staff receive the pre-requisite training to ensure these are operated correctly to gain maximum advantage both to the efficiency of the business but for the benefit of the individual employee.

Health and safety

The safety of both our guests and staff remains at the forefront of the daily operation of the park. We continue to ensure that all staff are fully trained in all aspects of their work and conduct regular management audits. We have rigorous safety systems in place for all rides and attractions with an ongoing cycle of ride maintenance and checks on a daily/weekly/monthly and annual basis. The Park's Health and Safety Management systems are continually monitored and reviewed.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Future Developments

The 2022 season will see the opening of two new rides to Blackgang Chine, a drop tower and a flying carpet ride. These will be highly themed to fit in with the overall theme of the park. With other improvements to the Area 5 attraction, thus, providing a guaranteed full day of quality entertainment for the whole family.

At Robin Hill Woodland sessions brand will build upon its success it had in 2021 and introduce a brand-new event offering in the Autumn of 2022.

With these additions, we have increased our ability to provide a greater selection of facilities and variety of options for our guests to see and enjoy.

This development will continue along with that of the Park's infrastructure during the forthcoming years.

Financial

The business remains grateful for the support the government has offered to businesses during this period i.e. the Coronavirus Job Retention Scheme during the early part of the financial year, the reduction of VAT of 15% which was effective to the end of September and a 7.5% reduction for the remainder of the year, and the business rates holiday, have all assisted the company's financial position.

Despite the significant challenges the 2021 season has provided the company remains in a positive financial position with closing current assets reported as £1.38m which is an increase of £1.48m from the end of the previous period.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the group's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business.

Weather

The two parks are dependent on good weather, and seasonal and extreme weather conditions are the greatest variables which the business has no control over, which is why the directors remain committed to improving the balance between all-weather based attractions and our more traditional offering.

People and Reputation

The group has invested heavily in its people and its reputation over a number of years. It is therefore reliant on these individuals to a degree in delivering the group result and reinforcing the underlying brand.

The Competitive Environment

We continue to operate in a competitive market with many other attractions, whether they are operating on a national or more local level, all competing for guests. We will continue to work closely with the ferry operators that service the Isle of Wight to try to ensure that the Island remains as competitive as possible as a holiday destination. Blackgang and Robin Hill provide a unique family experience that represents the best value for money and a day out in a safe quality environment.

Vectis Holdings continually invests in new attractions, events, and staff so that the service we provide ensures that guests will want to repeat their park experiences.

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

General Economic Environment

Following on from the previous year, the position of the UK economy was dominated by the Coronavirus pandemic. However, there is still a significant degree of uncertainty and volatility surrounding the economic climate that could have an impact on the overall performance and profitability of the business. The likely effects are the availability of staff due to a host of factors which are affecting many business sectors, the availability and cost increase of items sourced for resale, increased input prices due to cost increases in key commodities and transport, both domestic internationally, and the well-publicised increases in energy prices, all of which will have an adverse impact on profitability.

Also, increases in the cost of living for families driven by similar factors coupled with the inevitable increases in interest rates from the "all time low" that has been experienced in recent years, will continue to put pressure on the household budgets of our guests and staff. The Directors will continually monitor the impact these could have on future trading.

The directors are fully committed to sustainable development within the parks, and to this end will evaluate the needs of a particular project, the context it sits within, and then endeavour to procure a sustainable solution.

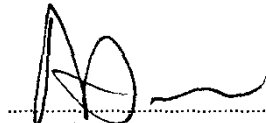
KEY PERFORMANCE INDICATORS

The business uses a number of non-statutory financial information measures (EBITDA, PAT, Turnover etc) to assess the underlying performance of the business. These include visitor numbers, membership (Frequent Visitor) sales; departmental Spends per head (SPH) and recruitment rates.

Blackgang's paying visitors numbers increased, with overall numbers up 141%, with Robin Hill's overall numbers up 127%, due to the impact that COVID-19 had on 2020 and increased staycations in 2021.

Our membership (Frequent Visitor Passes) was rolled over from 2020 as an offer of goodwill from the business.

ON BEHALF OF THE BOARD:


.....
A W Dabell - Director

Date: 29/9/2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of operating tourist attractions on the Isle of Wight. Vectis Holdings Limited is the holding company for Vectis Ventures Limited, We3 Create Limited and Eklectica Limited.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

A W Dabell
C J Hampton
Mrs R K C Ryan
M R Turtle

MATTERS COVERED IN STRATEGIC REPORT

Where necessary, disclosures relating to future developments have been made in the Group Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Group after the year end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements 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 company will continue in business.

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

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Bright Brown Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
A W Dabell - Director

Date: 29/9/2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VECTIS HOLDINGS LIMITED**

Opinion

We have audited the financial statements of Vectis Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 affairs as at 31 December 2021 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VECTIS HOLDINGS LIMITED**

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF VECTIS HOLDINGS LIMITED

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and parent company, the principal risks are that of management override of controls, potential fraud in revenue recognition and a potential going concern risk in relation to the Covid-19 pandemic. The engagement team considered these risks and audit procedures were undertaken as follows:

- A review of journals made in preparing the final results for preparation of the accounts, and a review of accounting estimates made by management.
- A review of transactions and records to ensure there are no transactions that have no apparent commercial purpose or that are processed outside the usual accounting systems.
- Extension of the sample sizes for audit testing carried out in relation to income, and consideration and testing of systems in place around this income.
- Discussions with management regarding the ability to override controls and review of processes in place to confirm no override had occurred
- Consideration of going concern in review of conversations held amongst directors in regular meetings, along with a review of budgets and discussions with management.
- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations or fraud.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment or intentional misrepresentations.

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. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
VECTIS HOLDINGS LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Stevens ACA (Senior Statutory Auditor)
for and on behalf of Bright Brown Limited
Chartered Accountants
Statutory Auditor
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

Date: 29/9/2022

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	as restated £
TURNOVER	4	6,642,667	2,770,216
Cost of sales		825,317	383,202
GROSS PROFIT		5,817,350	2,387,014
Administrative expenses		4,724,632	3,440,815
		1,092,718	(1,053,801)
Other operating income	5	829,173	951,666
OPERATING PROFIT/(LOSS)	7	1,921,891	(102,135)
Interest receivable and similar income		33	-
		1,921,924	(102,135)
Interest payable and similar expenses	8	60,764	100,220
PROFIT/(LOSS) BEFORE TAXATION		1,861,160	(202,355)
Tax on profit/(loss)	9	438,335	(66,195)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,422,825	(136,160)
Profit/(loss) attributable to: Owners of the parent		1,422,825	(136,160)

The notes form part of these financial statements

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	as restated £
PROFIT/(LOSS) FOR THE YEAR		1,422,825	(136,160)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>(136,160)</u>
Prior year adjustment	Note 11	391,541	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		<u>1,814,366</u>	
Total comprehensive income attributable to: Owners of the parent		<u>1,814,366</u>	<u>(136,160)</u>


The notes form part of these financial statements

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	12		1,000		1,000
Tangible assets	13		4,845,867		5,034,246
Investments	14		-		-
			<u>4,846,867</u>		<u>5,035,246</u>
CURRENT ASSETS					
Stocks	15	93,480		99,002	
Debtors	16	191,347		183,576	
Cash at bank and in hand		<u>2,979,702</u>		<u>686,771</u>	
		3,264,529		969,349	
CREDITORS					
Amounts falling due within one year	17	<u>1,871,086</u>		<u>1,066,877</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,393,443</u>		<u>(97,528)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,240,310</u>		<u>4,937,718</u>
CREDITORS					
Amounts falling due after more than one year	18		(1,881,143)		(2,300,547)
PROVISIONS FOR LIABILITIES	22		<u>(365,688)</u>		<u>(66,517)</u>
NET ASSETS			<u><u>3,993,479</u></u>		<u><u>2,570,654</u></u>
CAPITAL AND RESERVES					
Called up share capital	23		350		350
Capital redemption reserve	24		210		210
Retained earnings	24		<u>3,992,919</u>		<u>2,570,094</u>
SHAREHOLDERS' FUNDS			<u><u>3,993,479</u></u>		<u><u>2,570,654</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 29/9/2022 and were signed on its behalf by:


A W Dabell - Director

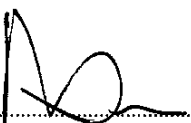
The notes form part of these financial statements

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

COMPANY BALANCE SHEET
31 DECEMBER 2021

		2021		2020 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	12		1,000		1,000
Tangible assets	13		4,205,281		4,679,241
Investments	14		111		111
			<u>4,206,392</u>		<u>4,680,352</u>
CURRENT ASSETS					
Debtors	16	1,190		630	
Cash at bank		<u>979,063</u>		<u>7,990</u>	
		980,253		8,620	
CREDITORS					
Amounts falling due within one year	17	<u>2,362,483</u>		<u>1,039,065</u>	
NET CURRENT LIABILITIES			<u>(1,382,230)</u>		<u>(1,030,445)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,824,162		3,649,907
CREDITORS					
Amounts falling due after more than one year	18		(1,872,143)		(2,300,547)
PROVISIONS FOR LIABILITIES	22		<u>(299,871)</u>		<u>(186,535)</u>
NET ASSETS			<u>652,148</u>		<u>1,162,825</u>
CAPITAL AND RESERVES					
Called up share capital	23		350		350
Capital redemption reserve	24		210		210
Retained earnings	24		<u>651,588</u>		<u>1,162,265</u>
SHAREHOLDERS' FUNDS			<u>652,148</u>		<u>1,162,825</u>
Company's loss for the financial year			<u>(510,677)</u>		<u>(106,137)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29/9/2022 and were signed on its behalf by:


A W Dabell - Director

The notes form part of these financial statements

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	350	2,706,254	210	2,706,814
Changes in equity				
Total comprehensive income	-	(527,701)	-	(527,701)
Balance at 31 December 2020	350	2,178,553	210	2,179,113
Prior year adjustment	-	391,541	-	391,541
As restated	350	2,570,094	210	2,570,654
Changes in equity				
Total comprehensive income	-	1,422,825	-	1,422,825
Balance at 31 December 2021	350	3,992,919	210	3,993,479

The notes form part of these financial statements

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	350	1,268,402	210	1,268,962
Changes in equity				
Total comprehensive income	-	(497,678)	-	(497,678)
Balance at 31 December 2020	350	770,724	210	771,284
Prior year adjustment	-	391,541	-	391,541
As restated	350	1,162,265	210	1,162,825
Changes in equity				
Total comprehensive income	-	(510,677)	-	(510,677)
Balance at 31 December 2021	350	651,588	210	652,148

The notes form part of these financial statements

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020 as restated
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	2,520,914	716,399
Interest paid		(60,764)	(98,907)
Interest element of hire purchase payments paid		-	(1,313)
Net cash from operating activities		2,460,150	616,179
Cash flows from investing activities			
Purchase of tangible fixed assets		(529,986)	(15,757)
Sale of tangible fixed assets		4,233	-
Interest received		33	-
Net cash from investing activities		(525,720)	(15,757)
Cash flows from financing activities			
New loans in year		500,000	383,528
Loan repayments in year		(140,795)	(108,723)
Capital repayments in year		1,580	(29,084)
Amount withdrawn/introduced by directors		(2,284)	387,757
Net cash from financing activities		358,501	633,478
Increase in cash and cash equivalents		2,292,931	1,233,900
Cash and cash equivalents at beginning of year	2	686,771	(547,129)
Cash and cash equivalents at end of year	2	2,979,702	686,771

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020 as restated
	£	£
Profit/(loss) before taxation	1,861,160	(202,355)
Depreciation charges	491,250	420,915
Loss on disposal of fixed assets	222,882	-
Finance costs	60,764	100,220
Finance income	(33)	-
	<u>2,636,023</u>	<u>318,780</u>
Decrease in stocks	5,522	109,460
(Increase)/decrease in trade and other debtors	(7,771)	42,478
(Decrease)/increase in trade and other creditors	(112,860)	245,681
Cash generated from operations	<u><u>2,520,914</u></u>	<u><u>716,399</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u><u>2,979,702</u></u>	<u><u>686,771</u></u>

Year ended 31 December 2020

	31.12.20	1.1.20
	as restated	
	£	£
Cash and cash equivalents	686,771	18,560
Bank overdrafts	-	(565,689)
	<u><u>686,771</u></u>	<u><u>(547,129)</u></u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	686,771	2,292,931	2,979,702
	<u>686,771</u>	<u>2,292,931</u>	<u>2,979,702</u>
Debt			
Finance leases	(19,420)	(1,580)	(21,000)
Debts falling due within 1 year	(200,080)	(782,532)	(982,612)
Debts falling due after 1 year	(2,300,547)	428,404	(1,872,143)
	<u>(2,520,047)</u>	<u>(355,708)</u>	<u>(2,875,755)</u>
Total	<u>(1,833,276)</u>	<u>1,937,223</u>	<u>103,947</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Vectis Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 judgement 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.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

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 Consolidated 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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Revenue recognition

Turnover represents amounts receivable for admissions, shop sales, catering and event income, net of VAT.

Turnover from annual passes is recognised over the period that the ticket relates to, in proportion to the number of days the park is open during the year. Turnover from admissions and events are recognised on the date of entry, with any tickets bought in advance, deferred into the period to which they related.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Catering turnover is recognised when the goods or services are supplied.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

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.

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.

Depreciation 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
Plant and machinery	- written off over their useful economic lives.
Motor vehicles	- 4-7 years straight-line
Assets under construction	- not yet depreciated

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.

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 profit or loss in the same period as the related expenditure.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Stocks

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

Cost is based on the cost of purchase on a first in, first out 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.

Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Foreign currencies

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

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.

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 01 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The directors have made an assessment in preparing these financial statements as to whether the Group and Parent Company remain a going concern.

In order to secure the short-term and longer-term viability of the business, the directors secured additional funding last year totalling £385,000 from a current director and a £1.5m loan from the Solent Local Enterprise Partnership.

On the basis of the above, the directors have produced revised cash flow forecasts for the Group, which demonstrate that there are sufficient cash resources available to the Group and Parent Company to ensure they can meet their financial obligations as they fall due for the foreseeable future, this being the period covering at least twelve months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors consider that the following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units (CGU) to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and apply a suitable discount rate in order to calculate the present value.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. **TURNOVER**

The turnover and profit (2020 - loss) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2021	2020 as restated
	£	£
Entrance fees and related sale	4,528,580	1,951,689
Restaurant, cafe and retail	2,114,087	818,527
	<u>6,642,667</u>	<u>2,770,216</u>

Turnover is wholly attributable to the principal activity of the business.

All turnover arose within the United Kingdom.

5. **OTHER OPERATING INCOME**

	2021	2020 as restated
	£	£
Rents received	1,900	5,850
Sundry receipts	252,072	-
Government grants	575,201	945,816
	<u>829,173</u>	<u>951,666</u>

6. **EMPLOYEES AND DIRECTORS**

	2021	2020 as restated
	£	£
Wages and salaries	1,989,931	1,997,861
Social security costs	137,123	29,239
Other pension costs	40,078	39,739
	<u>2,167,132</u>	<u>2,066,839</u>

The average number of employees during the year was as follows:

	2021	2020 as restated
Administration and finance	5	5
Management	17	17
Park staff	114	81
	<u>136</u>	<u>103</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

6. EMPLOYEES AND DIRECTORS - continued

The average monthly number of employees, including the directors, employed by the Company during the year was Nil (2020: Nil). All staff costs are wholly attributable to the Group.

	2021	2020 as restated
	£	£
Directors' remuneration	<u>143,821</u>	<u>76,524</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2	2
Defined benefit schemes	<u>2</u>	<u>2</u>

7. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging:

	2021	2020 as restated
	£	£
Hire of plant and machinery	25,636	31,501
Other operating leases	-	3,492
Depreciation - owned assets	491,250	420,915
Loss on disposal of fixed assets	222,882	-
Computer software amortisation	-	600
Auditors' remuneration	26,762	48,481
Auditors' remuneration for non audit work	2,500	-
Foreign exchange differences	512	-
	<u>740,540</u>	<u>504,989</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020 as restated
	£	£
Bank interest	934	4,947
Bank loan interest	59,830	93,960
Hire purchase	-	1,313
	<u>60,764</u>	<u>100,220</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2021	2020 as restated
	£	£
Current tax:		
UK corporation tax	140,162	(21,364)
Deferred tax	298,173	(44,831)
Tax on profit/(loss)	<u>438,335</u>	<u>(66,195)</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020 as restated
	£	£
Profit/(loss) before tax	<u>1,861,160</u>	<u>(202,355)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	353,620	(38,447)
Effects of:		
Expenses not deductible for tax purposes	363	(538)
Income not taxable for tax purposes	-	(157)
Depreciation in excess of capital allowances	26,925	-
Utilisation of tax losses	(240,076)	-
Adjustments to tax charge in respect of previous periods	-	(21,364)
Fixed asset differences and disposals	(804)	4,426
Adjustments to tax charge in respect of previous periods - deferred tax	-	(5,461)
Remeasure of deferred tax for changes in provision	298,305	12,372
Deferred tax not recognised	-	(466)
Theatrical production tax profits	-	(16,558)
Other differences leading to a decrease in the tax charge	2	(2)
Total tax charge/(credit)	<u>438,335</u>	<u>(66,195)</u>

There were no factors that may affect future tax charges.

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. PRIOR YEAR ADJUSTMENT

During the preparation of the accounts, the directors, have identified the following two prior period adjustments from material errors in the previous accounts:

Solent LEP Loan

The loan received from the Solent LEP had been incorrectly included within the accounts of the subsidiary, Vectis Ventures Limited. The error meant that the liabilities of the subsidiary have been overstated by £1,000,000 as at 31 December 2020.

The loan is held by the parent company (Vectis Holdings Ltd) and this has been corrected via a prior period adjustment.

The impact on the parent company accounts is as follows:

Loans included in creditors: amounts falling due within one year have increased by £62,500.

Loans included in creditors: amounts falling due after more than one year have increased by £937,500.

Amounts owed to group undertakings included in debtors falling due within one year have decreased by £1,000,000

This has had no effect on the previous reported loss.

The impact in the subsidiary accounts has been disclosed in its accounts which are available at Companies House under company number 02791662.

The prior period adjustments in respect of this loan in both the Vectis Ventures and Vectis Holdings has had no impact on the consolidated financial statements.

Fixed asset depreciation

During previous periods, the parent company fixed assets have been depreciated by more than required based on the accounting policy which has resulted in the carrying value of fixed assets being shown at a lower net book value by the amount of £391,451.

The directors have undertaken an extensive review of the fixed assets and calculated the adjustment above.

The impact on the financial statements is as follows:

Fixed assets have increased by £391,541

Retained earnings has increased by £391,541

The parent and consolidated accounts profit or loss for earlier periods has been overstated (or understated when loss making) by £391,451.

The error has the same impact on both the consolidated and parent company accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

12. INTANGIBLE FIXED ASSETS

Group

COST

At 1 January 2021
and 31 December 2021

Computer
software
£

2,800

AMORTISATION

At 1 January 2021
and 31 December 2021

1,800

NET BOOK VALUE

At 31 December 2021

1,000

At 31 December 2020

1,000

Company

COST

At 1 January 2021
and 31 December 2021

Computer
software
£

1,000

NET BOOK VALUE

At 31 December 2021

1,000

At 31 December 2020

1,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Assets under construction £	Plant and machinery £
COST			
At 1 January 2021	2,599,403	642,222	10,686,917
Additions	-	224,117	270,265
Disposals	(1,434)	(225,680)	-
At 31 December 2021	2,597,969	640,659	10,957,182
DEPRECIATION			
At 1 January 2021	1,853,595	-	7,053,918
Charge for year	19,927	-	456,990
Eliminated on disposal	-	-	-
At 31 December 2021	1,873,522	-	7,510,908
NET BOOK VALUE			
At 31 December 2021	724,447	640,659	3,446,274
At 31 December 2020	745,808	642,222	3,632,999
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 January 2021	11,678	155,172	14,095,392
Additions	-	35,604	529,986
Disposals	(11,139)	(17,239)	(255,492)
At 31 December 2021	539	173,537	14,369,886
DEPRECIATION			
At 1 January 2021	11,543	142,090	9,061,146
Charge for year	134	14,199	491,250
Eliminated on disposal	(11,138)	(17,239)	(28,377)
At 31 December 2021	539	139,050	9,524,019
NET BOOK VALUE			
At 31 December 2021	-	34,487	4,845,867
At 31 December 2020	135	13,082	5,034,246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Assets under construction £	Plant and machinery £	Totals £
COST				
At 1 January 2021	2,599,403	642,222	9,070,568	12,312,193
Additions	-	-	89,365	89,365
Disposals	(1,434)	(225,680)	-	(227,114)
At 31 December 2021	2,597,969	416,542	9,159,933	12,174,444
DEPRECIATION				
At 1 January 2021	1,853,595	-	5,779,357	7,632,952
Charge for year	19,927	-	316,284	336,211
At 31 December 2021	1,873,522	-	6,095,641	7,969,163
NET BOOK VALUE				
At 31 December 2021	724,447	416,542	3,064,292	4,205,281
At 31 December 2020	745,808	642,222	3,291,211	4,679,241

14. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1 January 2021 and 31 December 2021	111
NET BOOK VALUE	
At 31 December 2021	111
At 31 December 2020	111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Eklectica Limited**

Registered office: Blackgang Chine, Blackgang, Ventnor, Isle of Wight PO38 2HW

Nature of business: Music festival events

	% holding		
Class of shares:			
Ordinary	100.00	31.12.21	31.12.20
		£	£
Aggregate capital and reserves		(507,629)	(409,320)
(Loss)/profit for the year		(694)	10,935
		<u> </u>	<u> </u>

Vectis Glass Limited

Registered office: Blackgang Chine, Blackgang, Ventnor, Isle of Wight PO38 2HW

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary	100.00	31.12.21	31.12.20
		£	£
Aggregate capital and reserves		1	1
		<u> </u>	<u> </u>

Vectis Ventures Limited

Registered office: Blackgang Chine, Blackgang, Ventnor, Isle of Wight PO38 2HW

Nature of business: Running of parks

	% holding		
Class of shares:			
Ordinary	100.00	31.12.21	31.12.20
		£	£
Aggregate capital and reserves		3,143,164	1,312,353
Profit/(loss) for the year		2,030,811	(40,130)
		<u> </u>	<u> </u>

We3 Create Limited

Registered office: Blackgang Chine, Blackgang, Ventnor, Isle of Wight PO38 2HW

Nature of business: Web design and marketing

	% holding		
Class of shares:			
Ordinary	100.00	31.12.21	31.12.20
		£	£
Aggregate capital and reserves		(15,961)	(15,960)
Loss for the year		(1)	(828)
		<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. FIXED ASSET INVESTMENTS - continued

15. STOCKS

	Group	
	2021	2020 as restated
	£	£
Stocks	93,480	99,002

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Trade debtors	-	474	-	-
Amounts owed by group undertakings	-	-	1,190	630
Other debtors	8,284	55,580	-	-
Tax	96,025	96,025	-	-
VAT	31,558	-	-	-
Prepayments	55,480	31,497	-	-
	<u>191,347</u>	<u>183,576</u>	<u>1,190</u>	<u>630</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Bank loans and overdrafts (see note 19)	170,112	132,503	170,112	132,503
Other loans (see note 19)	812,500	67,577	812,500	62,500
Hire purchase contracts (see note 20)	12,000	19,420	-	-
Trade creditors	134,683	69,496	15,706	(33)
Amounts owed to group undertakings	-	-	1,264,004	743,934
Tax	140,162	-	-	-
Social security and other taxes	29,499	114,443	-	-
VAT	-	11,777	-	-
Other creditors	35,537	25,300	-	-
Directors' current accounts	454,690	456,974	90,240	90,240
Accrued expenses	81,903	169,387	9,921	9,921
	<u>1,871,086</u>	<u>1,066,877</u>	<u>2,362,483</u>	<u>1,039,065</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Bank loans (see note 19)	1,184,643	1,363,047	1,184,643	1,363,047
Other loans (see note 19)	687,500	937,500	687,500	937,500
Hire purchase contracts (see note 20)	9,000	-	-	-
	<u>1,881,143</u>	<u>2,300,547</u>	<u>1,872,143</u>	<u>2,300,547</u>

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	170,112	132,503	170,112	132,503
Other loans	812,500	67,577	812,500	62,500
	<u>982,612</u>	<u>200,080</u>	<u>982,612</u>	<u>195,003</u>
Amounts falling due between one and two years:				
Other loans - 1-2 years	687,500	750,000	687,500	750,000
Amounts falling due between two and five years:				
Bank loans - 2-5 years	754,754	940,823	754,754	940,823
Other loans - 2-5 years	-	187,500	-	187,500
	<u>754,754</u>	<u>1,128,323</u>	<u>754,754</u>	<u>1,128,323</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	429,889	422,224	429,889	422,224

Other loans consist of the loan received from the Solent LEP during 2020 and 2021. Terms of the loans are that this is repayable within two years and it is interest free.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2021	2020 as restated
	£	£
<i>Net obligations repayable:</i>		
Within one year	12,000	19,420
Between one and five years	9,000	-
	<u>21,000</u>	<u>19,420</u>

21. SECURED DEBTS

Bank loans are secured by fixed and floating charges over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2021	2020 as restated	2021	2020 as restated
	£	£	£	£
Deferred tax	<u>365,688</u>	<u>66,517</u>	<u>299,871</u>	<u>186,535</u>
Group				
				Deferred tax
				£
Balance at 1 January 2021				66,517
Charge to Income Statement during year				<u>299,171</u>
Balance at 31 December 2021				<u>365,688</u>
Company				
				Deferred tax
				£
Balance at 1 January 2021				186,535
Charge to Income Statement during year				<u>113,336</u>
Balance at 31 December 2021				<u>299,871</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

22. PROVISIONS FOR LIABILITIES - continued

The provision for deferred taxation is made up as follows:

Group	2021 £	2020 £
Fixed asset timing differences	366,698	326,748
Tax losses carried forward	(1,541)	(256,450)
Short term timing differences	531	(3,781)
	<u>365,688</u>	<u>66,517</u>
 Company	 2021 £	 2020 £
Fixed asset timing differences	301,412	275,539
Tax losses carried forward	(1,541)	(89,004)
	<u>299,871</u>	<u>186,535</u>

Deferred tax balances are expected to reverse in line with the Group's activities. Losses brought forward have been utilised in this period leaving timing difference as noted above.

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2021 £	2020 as restated £
350	Ordinary	1	<u>350</u>	<u>350</u>

24. RESERVES

Group	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2021	2,178,553	210	2,178,763
Prior year adjustment	391,541		391,541
	<u>2,570,094</u>		<u>2,570,304</u>
Profit for the year	1,422,825		1,422,825
	<u>3,992,919</u>	<u>210</u>	<u>3,993,129</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

24. RESERVES - continued

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2021	770,724	210	770,934
Prior year adjustment	391,541		391,541
	<u>1,162,265</u>		<u>1,162,475</u>
Deficit for the year	(510,677)		(510,677)
	<u>651,588</u>	<u>210</u>	<u>651,798</u>
At 31 December 2021			

Capital redemption reserve

This reserve relates to the nominal value of shares that the Group has bought back.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2021 and 31 December 2020:

	2021 £	2020 as restated £
A W Dabell		
Balance outstanding at start of year	(456,974)	(69,217)
Amounts advanced	-	(387,757)
Amounts repaid	2,284	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(454,690)</u>	<u>(456,974)</u>

The directors loan is given on an interest free basis to the company and is repayable on demand.

26. RELATED PARTY DISCLOSURES

Key management personnel of the entity or its parent (in the aggregate)

	2021 £	2020 as restated £
Amount due to related party	<u>454,690</u>	<u>456,974</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. RELATED PARTY DISCLOSURES - continued

Other related parties

During the year salary was paid to one of the directors' spouses of £30,730 (2020: £28,165).

During the year, a total of key management personnel compensation of £150,750 (2020 - £77,661) was paid.

27. ULTIMATE CONTROLLING PARTY

The controlling party is A W Dabell.

The ultimate controlling party is A W Dabell.

28. 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 £44,401 (2020: £39,739).

29. SUBSIDIARIES CLAIMING AUDIT EXEMPTION

The following companies which are included within the consolidated accounts have claimed the audit exemption available under Section 479A of the Companies Act 2006, and their individual company accounts have not been audited:

Company name	Registered number	Country of incorporation
we3 Create Limited	07714229	England and Wales
Eklectica Limited	01959415	England and Wales

VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021		2020 as restated	
	£	£	£	£
Sales		6,642,667		2,770,216
Cost of sales				
Opening stock	99,002		208,461	
Purchases	819,795		273,743	
	<u>918,797</u>		<u>482,204</u>	
Closing stock	(93,480)		(99,002)	
		<u>825,317</u>		<u>383,202</u>
GROSS PROFIT		5,817,350		2,387,014
Other income				
Rents received	1,900		5,850	
Sundry receipts	252,072		-	
Government grants	575,201		945,816	
Deposit account interest	33		-	
	<u></u>	<u>829,206</u>	<u></u>	<u>951,666</u>
		6,646,556		3,338,680
Expenditure				
Rent	-		3,492	
Rates and water	66,219		67,447	
Insurance	116,751		2,941	
Light and heat	126,490		95,840	
Health insurance	5,135		9,794	
Directors' salaries	140,465		76,524	
Directors' social security	15,206		9,241	
Directors' pensions paid	4,323		-	
Wages	1,845,143		1,921,337	
Social security	121,917		19,998	
Pensions	40,078		39,739	
Hire of plant and machinery	25,636		31,501	
Training	8,014		6,495	
Telephone	45,311		47,955	
Post and stationery	8,119		6,126	
Advertising	78,496		59,182	
Travelling	6,453		1,098	
Motor expenses	3,032		3,492	
HR costs	3,850		5,924	
Licences and insurance	15,936		8,564	
Repairs and renewals	641,175		203,916	
Health and safety	6,262		99,389	
Household and cleaning	45,566		16,558	
	<u></u>	<u></u>	<u></u>	<u></u>
Carried forward	3,369,577	6,646,556	2,736,553	3,338,680

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VECTIS HOLDINGS LIMITED (REGISTERED NUMBER: 01552172)

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021		2020 as restated	
	£	£	£	£
Brought forward	3,369,577	6,646,556	2,736,553	3,338,680
Uniform	16,090		9,616	
Computer costs	79,327		45,135	
Sundry expenses	9,918		1,306	
Production events	377,508		83,324	
Falconry/Squirrel costs	64,420		21,424	
Accountancy	53		4,414	
Subscriptions	4,228		108	
Consultancy fees	-		2,920	
Legal fees	4,460		21,937	
Auditors' remuneration	26,762		48,481	
Auditors' remuneration for non audit work	2,500		-	
Foreign exchange losses	512		-	
Amortisation of intangible fixed assets				
Computer software	-		600	
Depreciation of tangible fixed assets				
Freehold property	19,927		37,215	
Short leasehold	27,597		-	
Plant and machinery	429,393		382,239	
Motor vehicles	14,199		1,326	
Computer equipment	134		270	
Profit/loss on sale of tangible fixed assets	222,882		-	
Entertainment	3,708		213	
Bad debts	-		1,200	
Donations	324		-	
		4,673,519		3,398,281
		1,973,037		(59,601)
Finance costs				
Bank charges	1,142		10,874	
E-commerce charges	49,971		31,660	
Bank interest	934		4,947	
Bank loan interest	59,830		93,960	
Hire purchase	-		1,313	
		111,877		142,754
NET PROFIT/(LOSS)		<u>1,861,160</u>		<u>(202,355)</u>

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