

THE CONTINUUM GROUP LIMITED

**ANNUAL REPORT AND GROUP FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 JANUARY 2019

THE CONTINUUM GROUP LIMITED

COMPANY INFORMATION

Directors	P V Addyman, CBE J E Delaney S Garland, OBE E J Leckie A M Pawson A J Skipper K B Smith
Secretary	A M Pawson
Company number	1969044 (England and Wales)
Registered office	St.Edmunds House Margaret Street York Y010 4UX
Auditor	Ashworth Moulds 11 Nicholas Street Burnley Lancashire BB11 2AL
Bankers	Royal Bank of Scotland Business & Commercial Banking 6 Nessgate York Y01 9FY

THE CONTINUUM GROUP LIMITED

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THE CONTINUUM GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present the strategic report for the year ended 31 January 2019.

Review of the business

We aim to present a balanced and comprehensive review of the development and performance of the group during the year and its position at the year end. Our report is consistent with the size and nature of the group and is written in the context of the business environment in which we operate.

Our key performance indicators are those that communicate the financial performance and strength of the group as a whole; these being turnover and operating profit. Visitor numbers to our attractions is the key driver of income.

The Principle activity of the group continued to be the operation of successful cultural visitor attractions across the UK – owning and operating, operating for third parties, and working in partnership with third party IP holders.

At the heart of what we do is a great story, told in an engaging way and often set in a truly memorable location – in that we are unique.

UK Trading across the tourism industry has reporting a mixed performance in 2018 due to a lack of consumer confidence and downturn in overseas spend in paid for attractions. It has been reported that the number of people visiting the UK on holiday fell in 2018 with a decline of 5.3% in overseas tourists and a 2.3% fall in spending, despite earlier suggestions that a record year in 2017 would continue into 2018. The drop in inbound tourism to the UK has been attributed to a fall in interest among Europeans, who account for two-thirds of overseas visitors with research suggesting that interest in visiting the UK since the Brexit referendum has fallen year on year. Also extreme weather conditions in the spring had an impact, with outdoor attractions in particular suffering.

Against the above uncertain backdrop a revised strategy for the group for the following 3 years was developed with clear objectives for the year ended 31 January 2019 in the first year of the group's three year strategy:

- Ensure the safety of both staff and guests above all else
- Further embed the culture of the “upside down company structure” – Team First, Customer Second – into the business
- Refresh and update our Attractions' visitor experiences - to extend their economic life over the period of the strategy and beyond and place further emphasis on creating outstanding content, quality and variety of our guest experiences
- Consider CSR and Environmental plans commercially appropriate to the business
- Create equity value for the shareholder and pay an annual dividend
- Deliver annual budgeted financial performance, creating working capital to reinvest
- Maintain Continuum's outstanding Brand position in the Business to Business and Business to Consumer marketplaces and utilise modern marketing methods to drive performance cost effectively
- Identify management contracts in the UK and Northern Europe
- Grow the portfolio by adding further more commercial attractions
- Underpin a sustainable and modern operation by protecting and updating the core functionality of our Processes and Systems Infrastructure.

Against the above backdrop and in line with the strategic objectives Continuum's executive team focussed their attention on seeking opportunities to further expand the portfolio alongside investing in the guest experience of the existing portfolio of attractions.

THE CONTINUUM GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

Review of the business (continued)

In May 2018 Continuum entered in to a commercial agreement with ITV to operate weekend tours of the external film sets of Coronation Street in Salford, Manchester. The client contract to operate The Secrets of The Empire attraction in central London came to an end in June 2018.

Extreme weather conditions in the spring, (The Beast from the East) had a detrimental impact on the trading of the attractions in the portfolio, also impacting on trading performance.

Proceeds were received in the year for the disposal of assets from Coronation Street on Tour attraction which operating briefly in 2016.

Turnover for the group was £16,413,960 compared with a total turnover of £14,333,522 in the previous year.

Overall the group made an operating profit of £1,028,010 against a profit for the year ended 2018 of £1,371,191.

At 31 January 2019 the group's net assets were £4,440,228 compared with £3,923,332 at 31 January 2018.

On behalf of the board

J E Delaney

Director

29 October 2019

THE CONTINUUM GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present their annual report and group financial statements for the year ended 31 January 2019.

Principal activities

The principal activity of the Group continued to be the operation of cultural visitor attractions across the UK.

Directors

The directors who held office during the year and up to the date of signature of the group financial statements were as follows:

P V Addyman, CBE

J E Delaney

J A East, CBE

(Resigned 28 February 2018)

S Garland, OBE

E J Leckie

A M Pawson

A J Skipper

K B Smith

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £300,000. The directors do not recommend payment of a final dividend.

Inclusivity and equal opportunities

As a business Continuum Attractions are committed to treating all team members and job applicants equally and fairly. The objective being to recruit the best people for the job to join the team. Both the recruitment and selection process and the various training & development programmes are designed to ensure that the current or potential team members receive equal opportunities and no one is treated less favourably. If the circumstances of an employee change in regard to their health the company will always endeavour to make every effort to make relevant workplace adaptations to enable continuous employment.

Employee involvement

As a Group, employee ownership and empowerment are promoted. With various forum groups across the portfolio team members are encouraged to contribute to the strategy of the business and take ownership by sharing ideas. A specific scheme - Bright Ideas - is in place to share any ideas.

Having and promoting open communication channels which include weekly newsletters, information bulletins and team surveys allow the team to contribute to the business strategy as well as achieve a common awareness on the part of the employees of the financial and economic factors affecting the Group's performance.

Auditor

The auditor, Ashworth Moulds, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

THE CONTINUUM GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the group financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group financial statements for each financial year. Under that law the directors have elected to prepare the group 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 group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Strategic Report

The information required by schedule 7 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013.

On behalf of the board

J E Delaney

Director

29 October 2019

THE CONTINUUM GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CONTINUUM GROUP LIMITED

Opinion

We have audited the group financial statements of The Continuum Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2019 which comprise the group statement of income and retained earnings, the group balance sheet, the company balance sheet, the group statement of cash flows and notes to the group 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the group financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2019 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 Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the group 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

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 group financial statements is not appropriate; or
- the directors have not disclosed in the group 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 group financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the group financial statements and our auditor's report thereon. Our opinion on the group 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 group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group 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 group 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.

THE CONTINUUM GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CONTINUUM GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the group financial statements are prepared is consistent with the group financial statements; and
- the 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 strategic report and the directors' report.

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 directors' responsibilities statement, the directors are responsible for the preparation of the group 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 group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group 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.

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 group financial statements.

A further description of our responsibilities for the audit of the group financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE CONTINUUM GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CONTINUUM GROUP 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Holmes BA FCA (Senior Statutory Auditor)
for and on behalf of Ashworth Moulds

29 October 2019

Chartered Accountants
Statutory Auditor

11 Nicholas Street
Burnley
Lancashire
BB11 2AL

THE CONTINUUM GROUP LIMITED

GROUP STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	2018 £
Turnover	3	16,413,960	14,333,522
Cost of sales		(2,602,024)	(2,357,831)
Gross profit		13,811,936	11,975,691
Administrative expenses		(12,923,609)	(10,908,183)
Other operating income	4	139,683	303,683
Operating profit	6	1,028,010	1,371,191
Interest receivable and similar income	8	788	205
Interest payable and similar expenses	10	(80,213)	(52,560)
Profit before taxation		948,585	1,318,836
Taxation	11	(131,689)	(162,103)
Profit for the financial year		816,896	1,156,733
Retained earnings at 1 February 2018		3,466,832	2,340,099
Dividends	12	(300,000)	(30,000)
Retained earnings at 31 January 2019		3,983,728	3,466,832

Profit for the financial year is all attributable to the owners of the parent company.

The notes on pages 12 - 30 form an integral part of these group financial statements.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

THE CONTINUUM GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Goodwill	13		703,810		787,430
Tangible assets	14		4,144,014		4,562,493
			<u>4,847,824</u>		<u>5,349,923</u>
Current assets					
Stocks	17	303,600		260,501	
Debtors	18	687,185		1,093,919	
Cash at bank and in hand		3,820,804		4,111,840	
		<u>4,811,589</u>		<u>5,466,260</u>	
Creditors: amounts falling due within one year	19	(3,198,016)		(4,452,757)	
Net current assets			<u>1,613,573</u>		<u>1,013,503</u>
Total assets less current liabilities			<u>6,461,397</u>		<u>6,363,426</u>
Creditors: amounts falling due after more than one year	20		(1,759,939)		(2,151,940)
Provisions for liabilities	22		(171,647)		(186,071)
Deferred income	23		(89,583)		(102,083)
Net assets			<u>4,440,228</u>		<u>3,923,332</u>
Capital and reserves					
Called up share capital	25		456,500		456,500
Profit and loss reserves			3,983,728		3,466,832
Total equity			<u>4,440,228</u>		<u>3,923,332</u>

The notes on pages 12 - 30 form an integral part of these group financial statements.

The group financial statements were approved by the board of directors and authorised for issue on 29 October 2019 and are signed on its behalf by:

A M Pawson
Director

THE CONTINUUM GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	14		219,937		318,251
Investments	15		2,947,305		2,947,304
			<u>3,167,242</u>		<u>3,265,555</u>
Current assets					
Stocks	17	49,323		32,752	
Debtors	18	1,235,124		1,591,024	
Cash at bank and in hand		1,018,169		930,986	
		<u>2,302,616</u>		<u>2,554,762</u>	
Creditors: amounts falling due within one year	19	(1,541,656)		(1,970,276)	
Net current assets			<u>760,960</u>		<u>584,486</u>
Total assets less current liabilities			<u>3,928,202</u>		<u>3,850,041</u>
Creditors: amounts falling due after more than one year	20		(1,706,230)		(1,933,730)
Provisions for liabilities	22		(3,750)		(11,211)
Net assets			<u>2,218,222</u>		<u>1,905,100</u>
Capital and reserves					
Called up share capital	25		456,500		456,500
Profit and loss reserves			1,761,722		1,448,600
Total equity			<u>2,218,222</u>		<u>1,905,100</u>

The notes on pages 12 - 30 form an integral part of these group financial statements.

Profit for financial year - Company

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £613,122 (2018 - £659,116 profit).

The group financial statements were approved by the board of directors and authorised for issue on 29 October 2019 and are signed on its behalf by:

A M Pawson

Director

Company Registration No. 1969044

THE CONTINUUM GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	30	1,074,172		2,820,137	
Interest paid		(80,213)		(52,560)	
Income taxes paid		(258,912)		(40,752)	
Net cash inflow from operating activities		735,047		2,726,825	
Investing activities					
Purchase of business		-		(2,935,501)	
Purchase of tangible fixed assets		(419,286)		(147,570)	
Proceeds on disposal of tangible fixed assets		81,915		3,300	
Interest received		788		205	
Net cash used in investing activities		(336,583)		(3,079,566)	
Financing activities					
Repayment of borrowings		(39,500)		(5,000)	
Bank and other loan advances		-		2,400,000	
Repayment of bank loans		(350,000)		(236,250)	
Dividends paid to equity shareholders		(300,000)		(30,000)	
Net cash (used in)/generated from financing activities		(689,500)		2,128,750	
Net (decrease)/increase in cash and cash equivalents		(291,036)		1,776,009	
Cash and cash equivalents at beginning of year		4,111,840		2,335,831	
Cash and cash equivalents at end of year		3,820,804		4,111,840	

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

Company information

The Continuum Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is St. Edmunds House, Margaret Street, York, YO10 4UX.

The group consists of The Continuum Group Limited and all of its subsidiaries.

1.1 Accounting convention

These group financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The group financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements investment in subsidiaries are accounted for at cost less impairment.

The group financial statements incorporate those of The Continuum Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 January 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The company is itself a wholly owned subsidiary of Heritage Projects (Management) Limited, for which consolidated group financial statements are prepared.

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents amounts receivable for visitor admissions, cafe and retail sales, and consultancy services, net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

Revenue from visitors to the attractions is recognised by reference to the date of admission.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly labour rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line (excluding land)
Leasehold land and buildings	over the lease term
Plant and machinery	over 4 to 10 years
Fixtures, fittings & equipment	over 3 to 10 years
Motor vehicles	over 4 years

Freehold land is not depreciated.

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

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

(Continued)

1.6 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

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

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost comprises the purchase price of stock items.

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

1.9 Financial instruments

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

A financial instrument is a contract giving rise to a financial asset (such as trade and other debtors, cash and bank balances) or a financial liability (such as trade and other creditors, bank and other loans, hire purchase and lease creditors) or an equity instrument (such as ordinary or preference shares).

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

All the group's financial instruments are basic financial instruments and are recognised at amortised cost using the effective interest method.

Amortised cost: the original transaction value, less amounts settled, less any adjustment for impairment.

Effective interest method: where a financial instrument falls due more than 12 months after the balance sheet date and is subject to a rate of interest which is below a market rate, the original transaction value is discounted using a market rate of interest to give the net present value of future cash flows.

Derecognition of financial assets

Financial assets cease to be recognised only when the contractual rights to the cash flows expire, or when substantially all the risks and rewards of ownership are transferred to another entity.

Financial liabilities cease to be recognised when and only when the group's obligations are discharged, cancelled, or they expire.

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

(Continued)

1.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

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

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 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.

3 Turnover and other revenue

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

	2019	2018
	£	£
Other significant revenue		
Interest income	788	205
Grants released	12,500	7,292
Rental income	24,458	7,958
Insurance claim	-	280,290
Attraction closure compensation	100,000	-
	<u>147,746</u>	<u>295,445</u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

4 Other operating income

	2019 £	2018 £
Attraction closure compensation	100,000	-
Insurance claim	-	280,290
Grants released (note 23)	12,500	7,292
Rent received	24,458	7,958
Other	2,725	8,143
	<u>139,683</u>	<u>303,683</u>

In the previous year, the insurance claim relates to business interruption as a result of the closure of an exhibition.
In the current year, the compensation relates to the same attraction closure.

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	18,386	18,136
Audit of the financial statements of the company's subsidiaries	39,785	29,720
	<u>58,171</u>	<u>47,856</u>

6 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	-	(1,681)
Government grants	(12,500)	(7,292)
Depreciation of owned tangible fixed assets	832,061	747,575
Profit on disposal of tangible fixed assets	(76,211)	(696)
Amortisation of intangible assets	83,620	48,780
Operating lease charges	2,102,989	1,640,391
	<u>2,102,989</u>	<u>1,640,391</u>

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	412,154	526,329
Company pension contributions to defined contribution schemes	40,987	28,605
	<u>453,141</u>	<u>554,934</u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

7 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	222,157	230,759
Company pension contributions to defined contribution schemes	23,591	13,326
	<u>245,748</u>	<u>244,085</u>

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	788	205
	<u>788</u>	<u>205</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	788	205
	<u>788</u>	<u>205</u>

9 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Office and management	63	65	27	27
Operations, sales and marketing	383	382	61	86
Technical	4	5	-	-
	<u>450</u>	<u>452</u>	<u>88</u>	<u>113</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	5,428,325	4,826,157	1,741,831	1,836,085
Social security costs	379,511	293,067	179,463	146,472
Pension costs	101,429	65,210	66,270	44,930
	<u>5,909,265</u>	<u>5,184,434</u>	<u>1,987,564</u>	<u>2,027,487</u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

10 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	1,405
Bank loan interest	80,213	51,155
	<u>80,213</u>	<u>52,560</u>

11 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	146,113	192,453
Adjustments in respect of prior periods	-	581
Total current tax	<u>146,113</u>	<u>193,034</u>
Deferred tax		
Origination and reversal of timing differences	(14,424)	(30,931)
Total tax charge	<u>131,689</u>	<u>162,103</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>948,585</u>	<u>1,318,836</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	180,231	250,579
Tax effect of expenses that are not deductible in determining taxable profit	4,423	2,731
Tax effect of utilisation of tax losses not previously recognised	(64,495)	(69,725)
Change in unrecognised deferred tax assets	(19,891)	(20,202)
Depreciation on assets not qualifying for tax allowances	29,870	17,691
Under/(over) provided in prior years	-	581
Effect of change in corporation tax rate	-	1,427
Effect of change in deferred tax rate	1,551	(9,276)
Other adjustments relating to acquisition	-	(11,703)
Taxation charge for the year	<u>131,689</u>	<u>162,103</u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

12 Dividends

	2019 £	2018 £
Interim paid	300,000	30,000

13 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 February 2018 and 31 January 2019	836,210
Amortisation and impairment	
At 1 February 2018	48,780
Amortisation charged for the year	83,620
At 31 January 2019	132,400
Carrying amount	
At 31 January 2019	703,810
At 31 January 2018	787,430

The company had no intangible fixed assets at 31 January 2019 or 31 January 2018.

Goodwill arose on the acquisition of the entire issued share capital of Greenwood Forest Park Ltd. in July 2017.

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

14 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 February 2018	1,354,701	1,297,141	3,247,179	5,241,150	117,261	11,257,432
Additions	-	26,955	177,785	214,546	-	419,286
Disposals	-	-	(805,651)	(258,821)	(72,950)	(1,137,422)
At 31 January 2019	1,354,701	1,324,096	2,619,313	5,196,875	44,311	10,539,296
Depreciation and impairment						
At 1 February 2018	7,000	1,002,609	1,332,955	4,265,120	87,255	6,694,939
Depreciation charged in the year	12,000	119,429	360,698	321,954	17,980	832,061
Eliminated in respect of disposals	-	-	(805,651)	(257,311)	(68,756)	(1,131,718)
At 31 January 2019	19,000	1,122,038	888,002	4,329,763	36,479	6,395,282
Carrying amount						
At 31 January 2019	1,335,701	202,058	1,731,311	867,112	7,832	4,144,014
At 31 January 2018	1,347,701	294,532	1,914,224	976,030	30,006	4,562,493

Freehold land and buildings includes the fair value of land and buildings arising on the acquisition of Greenwood Forest Park Ltd. in July 2017.

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

14 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 February 2018	526,383	907,746	112,950	1,547,079
Additions	26,955	36,760	-	63,715
Disposals	-	(257,311)	(72,950)	(330,261)
At 31 January 2019	553,338	687,195	40,000	1,280,533
Depreciation and impairment				
At 1 February 2018	275,281	868,360	85,187	1,228,828
Depreciation charged in the year	105,011	35,922	16,902	157,835
Eliminated in respect of disposals	-	(257,311)	(68,756)	(326,067)
At 31 January 2019	380,292	646,971	33,333	1,060,596
Carrying amount				
At 31 January 2019	173,046	40,224	6,667	219,937
At 31 January 2018	251,102	39,386	27,763	318,251

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

15 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	16	-	-	2,947,305	2,947,304

Movements in fixed asset investments Company

Shares in group undertakings

£

Cost or valuation

At 1 February 2018 2,950,304

Additions 1

At 31 January 2019 2,950,305

Impairment

At 1 February 2018 and 31 January 2019 3,000

Carrying amount

At 31 January 2019 2,947,305

At 31 January 2018 2,947,304

On 13 June 2018, Continuum (Management) Limited was incorporated and 1 ordinary share was issued to The Continuum Group Limited.

16 Subsidiaries

Details of the company's subsidiaries at 31 January 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Continuum (Entertainment) Limited	England and Wales	Operation of a visitor attraction	Ordinary	100.00
Greenwood Forest Park Limited	England and Wales	Operation of a visitor attraction	Ordinary	100.00
Heritage Projects (Canterbury) Limited	England and Wales	Operation of a visitor attraction	Ordinary	100.00
Heritage Projects (Oxford Castle) Limited	England and Wales	Operation of a visitor attraction	Ordinary	100.00
Heritage Projects (Portsmouth) Limited	England and Wales	Operation of a visitor attraction	Ordinary	100.00
Heritage Projects (York) Limited	England and Wales	Operation of a visitor attraction	Ordinary	100.00
Continuum (Management) Limited	England and Wales	Dormant	Ordinary	100.00

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

16 Subsidiaries

(Continued)

The investments in subsidiaries are all stated at cost less impairment.

17 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	303,600	260,501	49,323	32,752

18 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	35,538	425,429	2,294	112,055
Amounts owed by group undertakings	-	-	1,136,391	1,367,602
Other debtors	132,687	32,510	18,839	17,647
Prepayments and accrued income	518,960	635,980	77,600	93,720
	687,185	1,093,919	1,235,124	1,591,024

The parent company has a debt due from a subsidiary undertaking, Continuum (Entertainment) Limited, amounting to £935,981 (2018: £1,008,810). The debt relates to funding for the operation of visitor attractions, commencing in 2016. The group directors recognise that there are uncertainties surrounding the trading performance of new attractions during the initial years of operation but remain optimistic that over a period of time as the attractions become established and visitor numbers increase, the operations will become profitable. As such the group directors are of the opinion that the debt of £935,981 will be recoverable. Consequently no provision is considered necessary.

19 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	21	350,020	350,019	227,520	227,520
Other borrowings	21	42,900	40,400	900	900
Trade creditors		236,372	730,870	114,086	121,897
Amounts due to group undertakings		418,002	418,002	534,346	809,496
Corporation tax payable		146,113	258,912	89,301	133,626
Other taxation and social security		291,921	237,543	101,351	121,172
Other creditors		32,394	38,061	27,459	16,349
Accruals and deferred income		1,680,294	2,378,950	446,693	539,316
		3,198,016	4,452,757	1,541,656	1,970,276

The Royal Bank of Scotland holds a debenture provided by the company and subsidiary companies for securing the group borrowings.

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

20 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	21	1,721,439	2,071,440	1,706,230	1,933,730
Other borrowings	21	38,500	80,500	-	-
		<u>1,759,939</u>	<u>2,151,940</u>	<u>1,706,230</u>	<u>1,933,730</u>

The Royal Bank of Scotland holds a debenture provided by the company and subsidiary companies for securing the group borrowings.

Amounts included above which fall due after five years are as follows:

Payable by instalments	796,150	1,023,650	796,150	1,023,650
	<u>796,150</u>	<u>1,023,650</u>	<u>796,150</u>	<u>1,023,650</u>

21 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	2,071,459	2,421,459	1,933,750	2,161,250
Other loans	81,400	120,900	900	900
	<u>2,152,859</u>	<u>2,542,359</u>	<u>1,934,650</u>	<u>2,162,150</u>
Payable within one year	392,920	390,419	228,420	228,420
Payable after one year	<u>1,759,939</u>	<u>2,151,940</u>	<u>1,706,230</u>	<u>1,933,730</u>

Amounts included above which fall due after five years:

Payable by instalments	796,150	1,023,650	796,150	1,023,650
	<u>796,150</u>	<u>1,023,650</u>	<u>796,150</u>	<u>1,023,650</u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

21 Loans and overdrafts

(Continued)

The bank loans comprise one loan repayable in February 2020 at £5,208 per month with interest chargeable at 5.16% pa, a second loan repayable in March 2020 at £5,000 per month with interest chargeable at 3% over bank base rate, and a third loan repayable over 10 years at £56,875 per month inclusive of interest, with interest chargeable at 2.6% over bank base rate. That loan is repayable in June 2027.

The group and company bank loans are secured by a debenture provided by the company and its subsidiary companies, comprising fixed and floating charges. See note 26.

Other loans comprises £900 (2018: £900) owed to Heritage Projects (Guernsey) Limited, which is interest free with no fixed date for repayment, and a loan from the Welsh government which is interest free and repayable at £3,500 per month. The amount outstanding is £80,500 (2018: £120,000).

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Group		
Accelerated capital allowances	140,032	153,913
Fair value of freehold land and buildings	51,462	52,702
Other timing differences	(19,847)	(20,544)
	<u>171,647</u>	<u>186,071</u>
	<u><u>171,647</u></u>	<u><u>186,071</u></u>
	Liabilities 2019 £	Liabilities 2018 £
Company		
Accelerated capital allowances	7,863	13,329
Other timing differences	(4,113)	(2,118)
	<u>3,750</u>	<u>11,211</u>
	<u><u>3,750</u></u>	<u><u>11,211</u></u>
	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 February 2018	186,071	11,211
Credit to profit or loss	(14,424)	(7,461)
	<u>171,647</u>	<u>3,750</u>
	<u><u>171,647</u></u>	<u><u>3,750</u></u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

22 Deferred taxation (Continued)

The deferred tax asset not provided relating to utilisation of tax losses against future expected profits and other timing differences amounts to £478,567 (2018: £554,311).

23 Government grants

Government grants which relate to capital expenditure included in tangible fixed assets have been recognised as deferred income and released over the expected useful life of the assets.

The amount released during the year amounted to £12,500 (2018: £7,292).

24 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	101,429	65,210

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
456,500 Ordinary shares of £1 each	456,500	456,500

26 Financial commitments, guarantees and contingent liabilities

Group

The subsidiary companies have provided a guarantee against the group bank borrowings, supported by a debenture over the group assets comprising fixed and floating charges. The guarantee is limited to £2,288,750 (2018: £2,516,250).

Company

The company has provided a guarantee against the group bank borrowings, supported by a debenture over the company's assets comprising fixed and floating charges. The guarantee is limited to £2,288,750 (2018: £2,516,250).

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	415,954	413,124	93,110	90,280
Between two and five years	732,056	1,050,488	272,911	288,723
In over five years	325,957	379,770	229,917	270,010
	<u>1,473,967</u>	<u>1,843,382</u>	<u>595,938</u>	<u>649,013</u>

Group

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Heritage Projects (Portsmouth) Limited has a lease under which it pays a basic annual rent of £136,780 per annum (2018: £136,780). Further rent is payable annually, calculated as a percentage of the operating profit of the company. In addition the company has outstanding commitments for a maintenance contract under the lease of £257,250 (2018: £404,250).

Heritage Projects (Oxford Castle) Limited and The Real Mary Kings Close visitor attraction in Edinburgh each pay an annual rent , together with potential additional rent based on turnover adjusted for certain expenses.

Heritage Projects (Canterbury) Limited has a lease under which it pays a basic annual rent of £36,504 (2018: £36,504).

Heritage Projects (York) Limited has a lease under which it pays a basic annual rent of £135,840 (2018: £135,840).

Continuum (Entertainment) Limited has agreements for the Emmerdale Tour and Void attractions whereby rent is payable based on a percentage of profit and an amount per visitor.

Company

Under the terms of the lease for The Real Mary Kings Close attraction in Edinburgh the company pays a basic annual rent, together with potential additional rent based on turnover adjusted for certain expenses.

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Acquisition of tangible fixed assets	<u>425,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

29 Controlling party

The parent company of the largest group in which the company is a member is Heritage Projects (Management) Limited, a company registered in England and Wales. These group financial statements form part of the group financial statements of Heritage Projects (Management) Limited, copies of which are available at Companies House.

Heritage Projects (Guernsey) Limited, a company registered in Guernsey, is the company's ultimate parent undertaking. The directors consider the controlling party to be the trustees of the Cosgrove Trust.

30 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	816,896	1,156,733
Adjustments for:		
Taxation charged	131,689	162,103
Finance costs	80,213	52,560
Investment income	(788)	(205)
Gain on disposal of tangible fixed assets	(76,211)	(696)
Amortisation and impairment of intangible assets	83,620	48,780
Depreciation and impairment of tangible fixed assets	832,061	747,575
Release of deferred income	(12,500)	(7,292)
Movements in working capital:		
(Increase)/decrease in stocks	(43,099)	69,920
Decrease in debtors	406,734	63,779
(Decrease)/increase in creditors	(1,144,443)	526,880
Cash generated from operations	1,074,172	2,820,137

THE CONTINUUM GROUP LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

31 Analysis of changes in net debt

	2019 £
Opening net funds/(debt)	
Cash and cash equivalents	4,111,840
Loans	(2,542,359)
	<u>1,569,481</u>
Changes in net debt arising from:	
Cash flows of the entity	98,464
	<u>1,667,945</u>
Closing net funds/(debt) as analysed below	<u><u>1,667,945</u></u>
Closing net funds/(debt)	
Cash and cash equivalents	3,820,804
Loans	(2,152,859)
	<u><u>1,667,945</u></u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.