

Registered number
02808359

Heritage Great Britain PLC

Annual Report and Consolidated Financial Statements

**For the year ended
31 January 2012**

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Heritage Great Britain PLC

Registered No 2808359

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Heritage Great Britain PLC

Registered No 2808359

Company Information

Directors

P M Johnson-Treherne

A J S Leech

D C S Westgate (resigned from the board on 10/02/2012)

Secretaries

V Wyllie (resigned on 07/05/2012)

G Johnson (appointed on 07/05/2012)

P M Johnson-Treherne

Auditors

KPMG LLP

8 Princes Parade

Liverpool

L3 1QH

Bankers

Santander UK PLC

Bridle Road

Bootle

Merseyside

L30 4GB

Solicitors

Salehs LLP

748 Wilmslow Road

Didsbury

Manchester

M20 6WF

Registered Office

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The Colonnades

Albert Dock

Liverpool

L3 4AA

Directors' report

The directors present their report and the audited consolidated financial statements of Heritage Great Britain PLC for the year ended 31 January 2012.

Principal activities

The principal activity of the company is that of a holding company. The Group undertakes the operation of various landmark and other day visitor attractions situated in the Isle of Wight, Cornwall, North Wales and Scotland, and operates a marketing agency in Manchester

Review of the business and future developments

The results for the year are set out on page 8. The Directors are pleased with the results for the year, with operating profit being at a similar level to prior year which is an achievement giving the current difficult economic climate. Snowdon Mountain Railway has continued to do well throughout the season with very satisfying results. John O'Groats was closed for redevelopment during September, under a new Joint Venture with Natural Retreats. Land's End experienced a difficult year due to downturn in visitor numbers with the bad weather and poor Cornish holiday trade. However, the upgrade to the hotel bar and restaurant at Land's End has shown to improve revenue. Needles Park has continued to be a consistent performer within the Heritage portfolio.

World in Miniature was sold on the 9th September for £1million with a profit on disposal of £665,000. The Directors are actively looking to reinvest the money.

Key performance indicators

The directors consider visitor numbers and spend per head to be the key performance indicators. These have remained at a consistent level with the prior year.

Results and dividends

The Group profit for the year, after taxation, amounted to £1,143,201 (2011: £541,349). The directors do not recommend the payment of a dividend.

Directors and their interests

The directors of the company during the year were as follows

P M Johnson-Treherne
A J S Leech
D S C Westgate

Mr D C S Westgate resigned from the board on 10 February 2012

Mr A J S Leech is a discretionary beneficiary of a Jersey Trust which, through Cherberry Limited, a Jersey company, owns the entire share capital of the company. None of the other directors have disclosable interests in the shares of the Group.

Creditor payment policy

The Group agrees terms and conditions under which business transactions with suppliers are conducted. Payments to suppliers are made in accordance with these terms, provided that suppliers have complied with all relevant terms and conditions. In the absence of any agreement with a supplier, settlement is normally made in the month following receipt of invoice.

The company's average creditor payment period at the year end was 31 days (2011: 43 days).

Treasury policies

The objectives of the Group are to manage the Group's financial risk, secure cost effective funding for the Group's operations, and to minimise the adverse effects of fluctuations in the financial markets on the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group.

Directors' report

The Group finances its activities with a combination of bank loans, finance leases, hire purchase contracts and cash deposits. Overdrafts are used to satisfy short term cash flow requirements. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The Group does not trade in financial instruments but does use an interest swap instrument to provide a fixed rate of interest on its bank loan.

The main risks associated with the Group's financial assets and liabilities are set out below, as are the policies agreed by the Board for their management.

Interest rate risk

The Group finances its operations through a mixture of retained profits, bank overdrafts, bank loans and balances with group undertakings. The bank borrowings are at variable rates, save for the bank loans which are hedged to provide a fixed rate through an interest rate swap.

Liquidity risk

The Group's overdraft facilities are repayable on demand. The Group expects to replace or renew these when required. Loans from group undertakings are payable on demand.

Foreign currency risk

All the Group's transactions are predominantly in sterling. The Group does not hedge any currency exposures.

Political and charitable donations

The Group made charitable donations of £3,952 (2011: £3,704) during the year. No political donations were made.

Health and Safety

The directors consider that the Health, Safety and Welfare of its employees, customers and all others who may be affected by its businesses and activities is of paramount importance. As a result, the Group has made arrangements to manage all aspects of Health and Safety in all areas and across all sites owned or managed by the Group. Included in these arrangements will be methods to monitor and review their effectiveness.

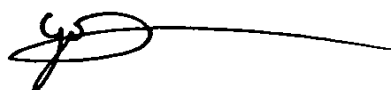
Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

On 23 September 2011, Cowgill Holloway Liverpool LLP resigned as auditors and the company appointed KPMG LLP as auditors. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



G Johnson
Company Secretary

17 May 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditor's report to the members of Heritage Great Britain PLC

We have audited the financial statements of Heritage Great Britain PLC for the year ended 31 January 2012 set out on pages 8 to 32. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Heritage Great Britain PLC (*continued*)

Matters on which we are required to report by exception

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

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Date *22 May 2012*

Consolidated profit & loss account

For the year ended 31 January 2012

	Notes	2012 £	2011 £
Turnover	2	11,777,148	11,811,387
Cost of sales		(3,544,736)	(3,270,927)
Gross profit		<u>8,232,412</u>	<u>8,540,460</u>
Administrative expenses		(7,230,668)	(7,557,424)
Other operating income	3	112,902	114,702
Operating profit		<u>1,114,646</u>	<u>1,097,738</u>
Profit on the disposal of tangible fixed assets (exceptional)	4	665,937	-
Interest receivable and similar income	5	17,297	27,562
Interest payable and similar charges	6	(321,581)	(303,233)
Profit on ordinary activities before taxation	7	<u>1,476,299</u>	<u>822,067</u>
Taxation	10	(333,098)	(280,718)
Retained profit for the financial year	20	<u><u>1,143,201</u></u>	<u><u>541,349</u></u>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

All amounts relate to continuing operations

Statement of total recognised gains and losses

For the year ended 31 January 2012

	Notes	2012 £	2011 £
Profit for the year		1,143,201	541,349
Actuarial (loss)/gain on pension scheme	26	(25,986)	216,649
Deferred tax on actuarial (loss)/gain		6,237	-
Total recognised gains and losses relating to the year		<u><u>1,123,452</u></u>	<u><u>757,998</u></u>

Consolidated balance sheet

At 31 January 2012

Registered number:

02808359

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	11	10,702,755	11,181,044
Intangible assets	12	100,931	114,694
		<u>10,803,686</u>	<u>11,295,738</u>
Current assets			
Stocks	14	515,110	597,195
Debtors	15	597,470	854,104
Cash at bank and in hand		1,633,228	456,606
		<u>2,745,808</u>	<u>1,907,905</u>
Creditors: amounts falling due within one year	16	(1,858,085)	(2,260,239)
Net current liabilities		<u>887,723</u>	<u>(352,344)</u>
Total assets less current liabilities		<u>11,691,409</u>	<u>10,943,404</u>
Creditors: amounts falling due after more than one year	17	(3,236,520)	(3,593,612)
Provisions for liabilities and charges excluding pension scheme deficit	18	(588,029)	(533,567)
Net assets excluding pension scheme deficit		<u>7,866,860</u>	<u>6,816,225</u>
Pension scheme deficit	26	(133,966)	(206,783)
Net assets including pension scheme deficit		<u><u>7,732,894</u></u>	<u><u>6,609,442</u></u>
Capital and reserves			
Called up share capital	19	5,213,371	5,213,371
Profit and loss account	20	2,519,523	1,396,071
Equity shareholders' funds	21	<u><u>7,732,894</u></u>	<u><u>6,609,442</u></u>

The financial statements were approved by the Board of Directors on 17 May 2012 and were signed on its behalf by


P M Johnson-Treherne
Director

Company Balance Sheet

For the year ended 31 January 2012

Registered number

02808359

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	11	3,975	8,047
Investments	13	12,585,037	13,435,037
		<u>12,589,012</u>	<u>13,443,084</u>
Current assets			
Debtors	15	269,799	593,467
Cash at bank and in hand		1,428,335	435,333
		<u>1,698,134</u>	<u>1,028,800</u>
Creditors: amounts falling due within one year	16	(5,676,307)	(4,995,226)
Net current liabilities		<u>(3,978,173)</u>	<u>(3,966,426)</u>
Total assets less current liabilities		<u>8,610,839</u>	<u>9,476,658</u>
Creditors: amounts falling due after more than one year	17	(3,035,000)	(3,285,000)
Provisions for liabilities and charges	18	(241,150)	(332,999)
		<u>5,334,689</u>	<u>5,858,659</u>
Capital and reserves			
Called up share capital	19	5,213,371	5,213,371
Profit and loss account	20	121,318	645,288
Equity shareholders' funds	21	<u>5,334,689</u>	<u>5,858,659</u>

The financial statements were approved by the Board of Directors on 17 May 2012 and were signed on its behalf by



P M Johnson-Treherne
Director

Consolidated cash flow statement

For the year ended 31 January 2012

	Notes	2012 £	2011 £
Net cash inflow from continuing operating activities	23	1,869,647	1,093,838
Returns on investments and servicing of finance			
Interest received and similar income		17,297	142,264
Interest paid on bank loans and overdrafts		(273,592)	(322,481)
Interest element of finance lease rental payments		(40,207)	(26,937)
		(296,502)	(207,154)
Taxation			
Corporation tax paid		(368,050)	(84,181)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(426,607)	(424,895)
Receipts from sales of tangible fixed assets		1,078,779	18,872
		652,172	(406,023)
Net cash inflow before financing		1,857,267	396,480
Financing			
Repayment of short-term loans	25	(250,000)	(250,000)
Capital element of finance lease rentals	25	(121,806)	(199,281)
Increase/(decrease) in cash in the year	24	1,485,461	(52,801)

Notes to the financial statements

At 31 January 2012

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom and the Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Basis of consolidation

The Group accounts consolidate Heritage Great Britain PLC and all its subsidiary undertakings drawn up to 31 January 2012. No profit and loss account is presented for Heritage Great Britain PLC as permitted by section 408 of the Companies Act 2006.

Going concern

The directors have considered the group and company's projected future cashflows, working capital requirements and its banking facilities, and are confident that they have sufficient cashflows to meet their working capital requirements for the next 12 months. For the reasons noted, the Directors continue to prepare the financial statements on a going concern basis.

Goodwill

Positive goodwill arising on businesses acquired is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- Deferred tax are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments in subsidiary undertakings are stated at cost, less any provision necessary for permanent diminution in value.

Notes to the financial statements

At 31 January 2012

Accounting policies (continued)

Turnover

Turnover represents amounts (excluding value added tax) derived from provision of goods and services rendered during the period

Tangible fixed assets

The cost of tangible fixed assets is their purchase or construction cost, together with any incidental costs of acquisition

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are

Freehold buildings	-	2%
Plant and machinery	-	5% to 10%
Fixtures and fittings	-	12.5%
Motor vehicles	-	25%

The long leasehold premises are depreciated over 50 years or the length of the lease, whichever is shorter.
~~Freehold and long leasehold land is not depreciated~~

Locomotives and rolling stock are depreciated on a straight line basis over 50 years, with the exception of some significant components, which are depreciated over 5 to 20 years

Assets held under finance leases are depreciated over the shorter of their estimated useful lives and the terms of the lease

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount is calculated as being the higher of the amount at which the assets could be disposed of, less any direct selling costs, and the present value of the future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each item to its present location and condition

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

Finance leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments.

Notes to the financial statements

At 31 January 2012

Accounting policies (continued)

Pensions

The Group operates a defined contribution pension scheme for certain employees. The costs are charged to the profit and loss account as incurred. The charge for the year was £110,847 (2011: £128,508). There are no contributions payable at the period end.

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. In accordance with FRS17, the service cost of pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the profit and loss account. A charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the Company's long-term expected return on assets (based on the market value of the scheme assets at the start of the period), are included in the profit and loss account.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability in the balance sheet. Deferred tax assets on the pension liability are recognised to the extent that they are considered recoverable. Any difference between the expected return on assets and that actually achieved is recognised in the statement of total recognised gains and losses along with differences which are from experience gains and losses and changes of assumptions. Further information on the pension arrangements is set out in Note 26 to the accounts.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the estimated useful lives of the relevant assets by equal annual instalments.

2. Turnover and segmental analysis by class of business

Turnover, which is stated net of value added tax, consists entirely of sales made in Great Britain. An analysis of turnover by activity is given below:

	2012 £	2011 £
By activity		
Attractions and admissions	4,773,240	4,817,740
Retailing	3,073,416	3,113,769
Catering, hotel and bar	3,218,430	3,137,667
Marketing and advertising	416,555	304,056
Other revenue	295,507	438,155
	<u>11,777,148</u>	<u>11,811,387</u>

3. Other operating income

	2012 £	2011 £
Rental income	112,902	114,702
	<u>112,902</u>	<u>114,702</u>

Notes to the financial statements

At 31 January 2012

4. Exceptional items

	2012 £	2011 £
Profit on disposal of land & buildings	665,937	-
Effective tax charge on disposal	9,730	-

5. Interest receivable and similar income

	2012 £	2011 £
Bank interest receivable	17,297	3,252
Other interest receivable	-	24,310
	<u>17,297</u>	<u>27,562</u>

6. Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	273,592	251,563
Finance lease charges payable under finance leases and hire purchase contracts	40,207	26,938
	<u>313,799</u>	<u>278,501</u>
Expected return on pension scheme assets	(39,302)	(29,108)
Interest on pension scheme liabilities	47,084	53,840
	<u>7,782</u>	<u>24,732</u>
	<u>321,581</u>	<u>303,233</u>

Notes to the financial statements

At 31 January 2012

7. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets - owned	378,442	478,950
Depreciation of tangible fixed assets - leased	113,613	150,083
Operating lease rentals - plant and machinery	66,411	72,397
Operating lease rentals - land and buildings	50,740	48,978
Amortisation of goodwill	13,763	13,763
Auditor's remuneration		
Auditors' remuneration of these financial statements	14,092	19,350
Other services relating to taxation	4,697	6,450
Other services pursuant to such legislation	11,095	-
Government grant - release of deferred income	(10,000)	(10,000)

8. Emoluments of directors

	2012 £	2011 £
Aggregate emoluments (including benefits in kind)	255,806	231,741
Pension contributions to a money purchase scheme	49,084	47,602
	<u>304,890</u>	<u>279,343</u>

	2012 £	2011 £
Highest paid director	105,341	99,840

	2012 No	2011 No
Retirement benefits are accruing to the following number of directors under Money purchase pension schemes	3	3

Notes to the financial statements

At 31 January 2012

9. Employee information

The average monthly number of employees (including paid executive directors) employed by the Group during the year was:

	2012 No	2011 No
Management and administration	36	21
Retail, catering and other	154	207
	<u>190</u>	<u>228</u>

	2012 £	2011 £
Staff costs for the above persons		
Wages and salaries	4,067,956	3,983,040
Social security costs	315,473	321,389
Pension costs	110,847	128,508
	<u>4,494,276</u>	<u>4,432,937</u>

Notes to the financial statements

At 31 January 2012

10. Tax on loss on ordinary activities

a) Analysis of tax charge in period

	2012 £	2011 £
Current tax		
UK corporation tax on profit for the year	234,841	253,964
Adjustments in respect of prior periods	(11,986)	-
Total current tax (note 10b)	222,855	253,964
Deferred tax		
Origination and reversal of timing differences	151,845	26,754
Adjustments in respect of prior periods	10,923	-
Effect of tax rate change on opening balance	(16,457)	-
Adjustment in respect of defined benefit pension scheme	(36,068)	-
Total deferred tax (note 18)	110,243	26,754
Tax on profit on ordinary activities	333,098	280,718

b) Factors affecting tax charge for the year

The tax assessed for the period is different to the standard rate of corporation tax in the UK (26.32%).
The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	1,476,299	822,067
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.32% (2011 28%)	388,562	242,061
Effects of		
Expenses not deductible for tax purposes	29,380	(1,823)
Differences between capital allowances and depreciation	(167,855)	13,726
Group relief claimed	(15,246)	-
Adjustment in respect of previous periods	(11,986)	-
Current tax charge for the year (note 10a)	222,855	253,964

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements

At 31 January 2012

10. Tax on loss on ordinary activities (continued)

The deferred tax liability at 31 January 2012 has been calculated based on the rate of 25% substantively enacted at the balance sheet date

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred liability accordingly

11. Tangible fixed assets

<i>Group</i>	<i>Land and buildings</i>	<i>Railway line and rolling stock</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£	£	£	£
Cost						
At 1 February 2011	10,448,368	1,700,815	3,118,705	142,049	2,745,560	18,155,497
Additions	19,949	418,632	(119,469)	5,000	102,495	426,607
Disposals	(245,000)	-	(540,919)	-	(69,753)	(855,672)
At 31 January 2012	10,223,317	2,119,447	2,458,317	147,049	2,778,302	17,726,432
Depreciation						
At 1 February 2011	2,129,907	460,430	2,142,783	97,512	2,143,821	6,974,453
Charge for the year	380,905	32,016	(53,053)	44,954	87,233	492,055
Eliminated on disposal	(82,674)	-	(320,530)	-	(39,627)	(442,831)
At 31 January 2012	2,428,138	492,446	1,769,200	142,466	2,191,427	7,023,677
Net book value						
At 31 January 2012	7,795,179	1,627,001	689,117	4,583	586,875	10,702,755
At 31 January 2011	8,318,461	1,240,385	975,922	44,537	601,739	11,181,044

The negative addition and depreciation charge in the year for plant and machinery relates to adjustments for assets that had been classified incorrectly and over depreciated in previous years

Fixed assets with a net book value of £669,430 (2011 £783,043) which are held under finance leases are included above. The depreciation charge for assets held under a finance lease amounted to £113,613 (2011 £105,083).

The net book value of land and buildings comprises

	2012 £	2011 £
Freehold	7,795,179	8,318,461
	<u>7,795,179</u>	<u>8,318,461</u>

Notes to the financial statements

At 31 January 2012

11. Tangible fixed assets (continued)

<i>Company</i>	<i>Total £</i>
Cost	
At 1 February 2011	86,627
Additions	3,616
At 31 January 2012	90,243
Depreciation	
At 1 February 2011	78,580
Charge for the year	7,688
At 31 January 2012	86,268
Net book value	
At 31 January 2012	3,975
At 31 January 2011	8,047

12. Intangible fixed assets

	<i>Goodwill £</i>
Cost:	
At 1 February 2011 and 31 January 2012	301,502
Amortisation	
At 1 February 2011	186,808
Amortised in the year	13,763
At 31 January 2012	200,571
Net book value	
At 31 January 2012	100,931
At 31 January 2011	114,694

Goodwill arising on the acquisition of businesses is amortised evenly over the directors' estimate of its useful economic life of 20 years

Notes to the financial statements

At 31 January 2012

13. Investments

<i>Company</i>	<i>2012</i> £	<i>2011</i> £
Cost and NBV		
At 1 February	13,435,037	13,435,037
Disposals	(850,000)	-
At 31 January	12,585,037	13,435,037

During the year the company carried out a review of its investments. The outcome of this review was a reduction in investments of £850,000 due to the disposal of smaller sites.

The principal subsidiary undertakings, registered in England and Wales, are as follows:

	Principal activity	Class and percentage of shares held
Heritage Attractions Limited	Operation of various landmark day visitor attractions	100% ordinary
Centrix Q2 Limited	Marketing, advertising, design and production	100% ordinary
Snowdon Mountain Railway Limited	Dormant	100% ordinary
The Land's End and John O'Groats Company Limited	Dormant	100% ordinary
LEJOG Limited	Dormant	100% ordinary
End to End Limited	Dormant	
Lightwater Resorts Limited	Dormant	100% ordinary
Goonhavern Pines Limited	Dormant	100% ordinary

The company also has a controlling interest in two dormant companies registered in England and Wales, via the intermediary subsidiary company, Heritage Attractions Limited.

	Principal activity	Claim and % of shares held
Lands End Limited	Dormant	100% ordinary
John O'Groats Limited	Dormant	100% ordinary

Notes to the financial statements

At 31 January 2012

14. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Finished goods and goods for resale	351,408	392,755	-	-
Raw materials and spares	119,991	165,886	-	-
Catering and bar stocks	39,211	37,399	-	-
Work in progress	4,500	1,155	-	-
	<u>515,110</u>	<u>597,195</u>	<u>-</u>	<u>-</u>

15. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Trade debtors	204,148	217,838	31,543	26,974
Other debtors	201,789	447,347	79,383	338,765
Prepayments and accrued income	191,533	188,919	64,852	63,346
Amounts due from subsidiary undertakings	-	-	94,021	164,382
	<u>597,470</u>	<u>854,104</u>	<u>269,799</u>	<u>593,467</u>

16. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Trade creditors	516,019	389,623	79,174	65,741
Loans	250,000	250,000	250,000	250,000
Bank overdraft	50,377	359,216	-	-
Corporation tax	108,769	253,964	-	-
Other taxation and social security	79,891	80,344	8,626	8,157
Obligations under finance leases and hire purchase contracts	118,442	133,156	-	86
Other creditors	279,041	282,789	211,815	212,024
Accruals and deferred income	426,535	472,136	221,858	74,178
Deferred grant income	29,011	39,011	-	-
Amounts owed to subsidiary companies	-	-	4,904,834	4,385,040
	<u>1,858,085</u>	<u>2,260,239</u>	<u>5,676,307</u>	<u>4,995,226</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned

Notes to the financial statements

At 31 January 2012

17. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Obligations under finance leases and hire purchase contracts	191,520	298,612	-	-
Loans – secured (see below)	2,750,000	3,000,000	2,750,000	3,000,000
Other creditors	295,000	295,000	285,000	285,000
	<u>3,236,520</u>	<u>3,593,612</u>	<u>3,035,000</u>	<u>3,285,000</u>

Obligations under finance leases and hire purchase contracts

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due				
Within one year	118,442	133,070	-	-
Within two to five year	191,520	298,612	-	-
	<u>309,962</u>	<u>431,682</u>	<u>-</u>	<u>-</u>

Details of the maturity of loans are as follows

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due				
In one year or less	250,000	250,000	250,000	250,000
In more than one year but not more than two years	250,000	250,000	250,000	250,000
In more than two years but not more than five years	750,000	750,000	750,000	750,000
In more than five years	1,750,000	2,000,000	1,750,000	2,000,000
	<u>3,000,000</u>	<u>3,250,000</u>	<u>3,000,000</u>	<u>3,250,000</u>

The loans falling due in more than five years have annual capital repayment terms agreed by the Group's bankers. The rate of interest on this loan is fixed at 5.45% by way of an interest rate swap. The bank loan is secured against the assets held within the company's subsidiary holdings.

The company has provided a cross-guarantee to the company's bankers in respect of all group company's overdraft and borrowing facilities. If other companies in the Group were to default on their overdraft arrangements then Heritage Great Britain PLC would be liable for any outstanding liabilities. The net position of the Group on 31 January 2012 was £1,567,997 positive (2011: £164,825 positive).

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Notes to the financial statements

At 31 January 2012

18. Provisions for liabilities and charges

<i>Group</i>	<i>Deferred taxation £</i>	<i>Insurance provisions £</i>	<i>Total £</i>
At 1 February 2011	200,568	332,999	533,567
Charge for the year	146,311	17,459	163,770
Utilised in the year	-	(109,308)	(109,308)
At 31 January 2012	<u>346,879</u>	<u>241,150</u>	<u>588,029</u>

<i>Company</i>	<i>Insurance provisions £</i>	<i>Total £</i>
At 1 February 2011	332,999	332,999
Charge for the year	17,459	17,459
Utilised in the year	(109,308)	(109,308)
At 31 January 2012	<u>241,150</u>	<u>241,150</u>

Deferred taxation

The amounts provided for deferred taxation are set out below

<i>Group</i>	<i>2012 £</i>	<i>2011 £</i>
Differences between accumulated depreciation and capital allowances	346,879	213,928
Other timing differences	-	(13,360)
	<u>346,879</u>	<u>200,568</u>

Insurance provisions

The Group's insurance cover provides for a certain amount of excess on any claims. The Group provides for these amounts and other uninsured losses on incidents when notified. The amount provided for each incident is based on advice from professional advisers. The claims are expected to be settled within one year of the balance sheet date.

Notes to the financial statements

At 31 January 2012

19. Share capital

	2012 £	2011 £
Allotted, called up and fully paid. 5,213,371 (2011 5,213,371) ordinary shares of £1 each	5,213,371	5,213,371

20. Reserves

	Group profit and loss account £	Company profit and loss account £
At 1 February 2011	1,396,071	645,288
Retained Profit for the year	1,143,201	(1,523,970)
Dividend received	-	1,000,000
Net actuarial loss on pension scheme	(19,749)	-
At 31 January 2012	2,519,523	121,318

21. Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Opening equity shareholders' funds	6,609,442	5,851,444	5,858,659	5,262,961
Profit for the financial year	1,143,201	541,349	(1,523,970)	595,698
Dividend received	-	-	1,000,000	-
Actuarial (loss)/gain on pension scheme	(19,749)	216,649	-	-
Closing equity shareholders' funds	7,732,894	6,609,442	5,334,689	5,858,659

Notes to the financial statements

At 31 January 2012

22. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Operating leases which expire				
Within one year – other	15,490	25,605	-	274
Within one year-land and buildings	-	-	-	-
In two to five years - other	51,168	46,793	5,548	17,212
In two to five years - land and buildings	39,354	71,726	29,500	41,186

23. Reconciliation of operating profit to net cash inflow from operating activities

	<i>2012</i>	<i>2011</i>
	£	£
Operating profit	1,114,646	983,036
Depreciation	492,054	629,033
Amortisation of goodwill	13,763	13,763
Actuarial gain on pension scheme	-	216,649
Decrease/(increase) in stocks	82,085	(37,476)
Decrease/(increase) in debtors	256,634	(295,613)
Increase/(decrease) in creditors	66,594	(214,006)
Decrease in other provisions	(91,849)	(201,548)
Adjustment in respect of defined benefit pension scheme	(64,280)	-
Net cash inflow from operating activities	1,869,647	1,093,838

24. Reconciliation of net cash flow to movement in net debt

	<i>2012</i>	<i>2011</i>
	£	£
Increase/(decrease) in cash in the year	1,485,461	(52,801)
Cash inflow from decrease in net debt and lease financing	371,806	449,281
Movement in net debt resulting from cash flows	1,857,267	396,480
Net debt at 1 February 2011	(3,869,378)	(4,265,858)
Net debt at 31 January 2012	(2,012,111)	(3,869,378)

Notes to the financial statements

At 31 January 2012

25. Analysis of changes in net debt

	<i>At 1 February 2011 £</i>	<i>Cash flows £</i>	<i>Other movements £</i>	<i>At 31 January 2012 £</i>
Cash at bank and in hand	456,606	1,176,622	-	1,633,228
Bank overdraft	(359,216)	308,839	-	(50,377)
	97,390	1,485,461	-	1,582,851
Short term loans	(250,000)	250,000	(250,000)	(250,000)
Long term loans	(3,285,000)	-	250,000	(3,035,000)
Finance leases	(431,768)	121,806	-	(309,962)
Net Debt	(3,869,378)	1,857,267	-	(2,012,111)

26. Pension scheme

The company operates a pension scheme providing benefits based on final pensionable pay funded by payment of contributions to a separately administered fund. Until 31 May 2001 all members' benefits have been accrued in this Scheme, after this date members benefits have not been accrued in the Scheme and from 1 June 2001 the Trustees have directed all members contributions into a newly established money purchase scheme operated by a different scheme administrator which has continued the rights for existing members. For the foreseeable future the Employer Company will continue to make employer contributions into the current Scheme to meet the funding requirements as advised by the Scheme actuary.

The most recent valuation was at 5 April 2008. As a result of this valuation the Employer Company agreed to pay contributions of £60,000 per annum from 6 April 2009 for a period of 9 years and 4 months. These contributions are to increase every 6 April by 4.0% compound. The annual contribution from 6 April 2010 is £64,896 per annum.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation and updated by the actuary at 31 January 2012 using the following assumptions:

	2012	2011
Rate of increase in salaries	3.37%	4.70%
Rate of increase in pensions in payment for service from and including 6 April 1997	2.75%	3.30%
Discount rate	4.61%	5.60%
Pension increases (maximum 5%) - RPI	2.87%	3.70%
Deferred pension increases (maximum 5%) - CPI	2.37%	3.00%
Rate of increase of deferred pensions in excess of GMP	2.37%	3.00%

At 31 January 2012 mortality rates have been assumed to be in line with the standard tables "SAPS", medium cohort, year of birth projection with a minimum annual reduction in the mortality rate of 1.00% per annum.

Notes to the financial statements

At 31 January 2012

26. Pension scheme (continued)

At 31 January 2011 mortality rates were assumed to be in line with the standard tables PNMA / PNFA, long cohort, year of birth projection with a minimum annual reduction in the mortality rate of 1.00% per annum. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows

- Current pensioner aged 65: 21.5 years (male), 24.1 years (female)
- Future retiree upon reaching 65: 23.4 years (male), 25.9 years (female)

The assets of the Pension Scheme valued below are in the form of an insurance policy invested in a with-profits and unit-linked money fund with the Equitable Life Assurance Society, a Trustee Investment Plan with Legal and General and a bank account held by the Trustee. The value of assets held in the with-profits fund has been taken as the surrender value on 31 January 2012, which broadly represents the policy's realisable value on 31 January 2012. The value of assets held in the unit linked money fund has been taken as the value of units at bid price on 31 January 2012. The value of the other assets is the value held with the provider.

The assets in the scheme and the expected rate of return were

	Long term rate of return expected at 31 Jan 2012	Value at 31 Jan 2012 £	Long term rate of return expected at 31 Jan 2011	Value at 31 Jan 2011 £	Long term rate of return expected at 31 Jan 2010	Value at 31 Jan 2010 £
With Profits Fund – Equitable Life		202,611		182,968		182,557
Unit Linked Money fund – Equitable Life		37,241		37,188		37,126
Trustees bank account		1		1,861		1,819
Trustee Investment Plan – Zurich Assurance		-		-		88,195
Investment Account – Sterling		-		-		208,478
Investment Account – Legal & General		495,458		411,981		-
Total Market Value of Investments	4.40%	735,311	5.90%	633,998	5.30%	518,175
Actuarial Valuation of Liabilities		911,582		840,781		978,875
Deficit in the scheme		(176,271)		(206,783)		(460,700)

The following information has been provided by the scheme actuary to meet the current disclosure requirement under FRS 17.

Notes to the financial statements

At 31 January 2012

26. Pension scheme (continued)

Analysis of amounts charged to operating profit	2012	2011
	£	£
Current service cost	-	-
Past service cost	-	-
Losses/(gains) on settlements or curtailments	-	-
Total operating charge	-	-
Analysis of amounts credited to other finance costs	2012	2011
	£	£
Expected return on pension scheme assets	39,302	29,108
Interest on pension scheme liabilities	(47,084)	(53,840)
Net cost	(7,782)	(24,732)
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	2012	2011
	£	£
Actual return less expected return on pension scheme assets	(2,269)	24,690
Experience gains and losses arising on the scheme liabilities	(23,717)	191,959
Actuarial (loss)/gains recognised in STRGL	(25,986)	216,649
Movement in present value of liabilities during the year	2012	2011
	£	£
Liabilities at beginning of period	840,781	978,800
Interest cost	47,084	53,840
Actuarial loss/(gains) on the Scheme liabilities	23,717	(191,959)
Liabilities at end of period	911,582	840,781
Movement in fair value of assets during the year	2012	2011
	£	£
Assets at beginning of period	633,998	518,200
Expected return on Scheme assets	39,302	29,108
Employer contributions	64,280	62,000
Actual less expected return on assets	(2,269)	24,690
Liabilities at end of period	735,311	633,998

Notes to the financial statements

At 31 January 2012

26. Pension scheme (continued)

Movement in deficit during the year	2012 £	2011 £
Deficit in the scheme at the beginning of the year	(206,783)	(460,700)
Movement in the year		
- Employers contributions	64,280	62,000
- Other finance costs	(7,782)	(24,732)
- Actuarial (loss)/gains	(25,986)	216,649
Deficit in the scheme at the end of the year	(176,271)	(206,783)
Related deferred tax asset	42,305	-
Net liability	(133,966)	(206,783)

The company has been in ongoing consultation with its professional advisors in relation to the deficit of the Scheme and in particular, the appropriate method to address the deficit

History of experience gains and losses

	2012	2011	2010	2009	2008
Difference between the expected and actual return on scheme assets					
- amount	(2,269)	£24,690	£23,200	(£65,500)	(£20,900)
- percentage of scheme assets	(0.3%)	4%	(4%)	13%	(4.5%)
Experience gains and losses on scheme liabilities					
- amount	(£23,717)	£191,959	£307,300	£5,100	(£35,800)
- percentage of the present value of scheme liabilities	(3%)	23%	1%	0.7%	(4.2%)
Total amount recognised in STRGL					
- amount	(£25,986)	£216,649	£284,100	£60,400	£56,700
- percentage of the present value of scheme liabilities	(3%)	26%	47%	21%	5.9%
Present value of scheme liabilities	(911,582)	(840,781)	(978,900)	(688,200)	(850,200)
Fair value of scheme assets	735,311	633,998	518,200	474,400	466,800
Deficit	(176,271)	(206,783)	(460,700)	(213,800)	(383,400)

Notes to the financial statements

At 31 January 2012

27. Related party transactions

Significant related party transactions are detailed below. The directors have taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosure" not to disclose transactions with other members of the Heritage Great Britain PLC group on the grounds that these are eliminated on consolidation.

- 1) The company provided certain management and accounting services to Lightwater Valley Attractions Limited during the year amounting to £162,000 (2011: £162,229) (on normal commercial terms). There was no balance outstanding at the year end. During the year the company also received a contribution, on normal commercial terms, towards certain overhead costs which were borne by Heritage Great Britain PLC amounting to £149,278 (2011: £134,185). A balance of £2,956 (2011: £5,345) was outstanding at the year end. Mr A J S Leech, Mr P M Treherne and Mr D C S Westgate were directors of Lightwater Valley Attractions Limited at 31 January 2012. Mr D C S Westgate resigned as a director on 10 February 2012.
- 2) The Group, through one of its subsidiaries, Centrix Q2 Limited, provided advertising and marketing services to Lightwater Valley Attractions Limited during the year amounting to £185,561 (2011: £126,272) (on normal commercial terms). There was a balance of £309 (2011: £37,598) outstanding at the year end.
- 3) During the year Lightwater Valley Attractions Limited made a contribution, on normal commercial terms, towards certain overhead costs incurred by the Company which amounted to £55,881 (2011: £29,233). There was a balance outstanding at the year end of £1,500 (2011: £29,233). Mr A J S Leech, Mr P M Johnson-Treherne and Mr D C S Westgate were all directors of Lightwater Valley Attractions Limited. Mr D C S Westgate resigned as a director on 10 February 2012.
- 4) In 2010, the company received £10,000 from La Vignette Ltd (a company invested into by the family Trust based in Jersey of which Mr A J S Leech is also a beneficiary) as a contribution towards various capital projects. The amount is repayable but remains outstanding at the year end (2011: £10,000).
- 5) In 2009 the company loaned £100,000 to La Vignette Ltd (a company invested into by the family Trust based in Jersey of which Mr A J S Leech is also a beneficiary). A balance of £35,000 remains outstanding at the year end (2011: £35,000). The Company has a charge over a classic car valued at £80,000 as security for this debt. An additional £20,000 was loaned to La Vignette Ltd during years 2010 and 2011, and this remains outstanding at the year end bringing the total debt to £75,000 (2011: £55,000). The directors are satisfied that the classic car is sufficient security to cover this debt.
- 6) When Heritage Attractions purchased the Lands End & John O'Groats Company in 1999, that company had an existing loan in place for £350,000 with Glen Investments Ltd which was to allow them to carry out certain capital expenditure projects. The balance of this loan at the year end was £285,000 (2011: £285,000) due to an invoice for £65,000 which we levied on Glen Investments Ltd for maintenance of classic cars for them. The loan is strictly repayable however the company has confirmation from Glen Investments Ltd that there will be no call for this in the foreseeable future. Glen Investments Ltd is controlled by the family Trust based in Jersey of which Mr A J S Leech is also a beneficiary.

Notes to the financial statements

At 31 January 2012

28. Ultimate controlling party

The entire share capital of Heritage Great Britain PLC is wholly owned by a Jersey company, Cherberry Limited. Cherberry Limited is wholly owned by the Trustees of a settlement. In the opinion of the directors, there is no single individual or entity that can or does exercise ultimate control, as defined under FRS8, over that company.