

Registered Number
02808359

Heritage Great Britain PLC

Annual Report and Consolidated Financial Statements

**For the year ended
31 January 2020**



Registered No. 02808359

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Company information

Directors

P M Johnson-Treherne
A J S Leech

Secretaries

G Johnson
P M Johnson-Treherne

Auditor

RSM UK Audit LLP
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20 Chapel Street
Liverpool
L3 9AG

Bankers

Santander UK PLC
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Napthens LLP
The Plaza
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Liverpool
L3 9QJ

Registered Office

5th Floor
88 Church Street
Liverpool
L1 3HD

Strategic report

For the year ended 31 January 2020

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, Liverpool and, holiday accommodation and related tourism operations in Scotland through joint ventures.

Business model

Heritage Great Britain PLC is the holding company for Heritage Attractions Limited and Heritage Brand Ventures Limited. Heritage Great Britain provides head office, management and accounting services to the subsidiaries.

Heritage Attractions Limited operates some of the UK's most outstanding landmark destinations and popular visitor attractions. Our current portfolio stretches from Land's End at the south-western tip of Cornwall to remote John O'Groats in the far north of Scotland. In between, Snowdon Mountain Railway takes passengers from Llanberis, in the heart of Snowdonia National Park, to the summit of the highest mountain in England and Wales.

The Needles Park welcomes visitors to the Isle of Wight's famous lighthouse and Needles rocks, whilst Sandham Gardens provides family attractions at the seaside setting of Sandown Bay. Opened in April 2019, Royal Liver Building 360 provides a unique tower tour and visitor experience which has already won awards.

Heritage Attractions aims to maintain and develop the UK's heritage sensitively and responsibly for the benefit of all and to provide exciting and stimulating family value days out for its customers. Key elements of the businesses objectives are:

Organic growth - Capital expenditure is planned within each business unit to improve standards further and increase the attraction's growth rate. The focus will be to improve spend per head and the dwell time of guests.

Destination accommodation - The attractions will be supplemented by accommodation units to provide new developments to existing estate assets or to improve the overall profitability of each asset.

Continued acquisitions – The Group has a continued interest in available visitor attractions within the tourism market where visitor numbers exceed 100,000 pa.

Mattel Play! Liverpool, within Heritage Brand Ventures Limited, is home to three unique children's character themed play zones, plus a cafeteria, retail shop and green screen photo experience.

Business review and results

The results for the year are set out on page 10. The Directors are pleased with the results for the year. An emphasis is placed on offering customers unique experiences. The Group profit for the year, after taxation, amounted to £353,753 (2019: £538,004). The directors do not recommend the payment of a dividend (2019: £nil).

The 2019 operating season for Heritage Attractions Limited saw an increase in turnover of £1,802,187 compared to the 2018 season, turnover increased from £15,524,096 to £17,235,782. Mattel Play! Liverpool turnover in the year has fallen compared to the prior year although an element of this was planned as part of phased opening during the traditionally quieter periods of the year, outside of school holidays, the unplanned element was due to a general downturn in trade due to increased competition.

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Strategic report (continued)

For the year ended 31 January 2020

As a result of the Covid-19 pandemic and related national lockdown imposed by the UK Government, all sites within the group closed with effect from 23rd March 2020 and then reopened in early July 2020 when the relevant restrictions were lifted. Even before the lockdown was imposed, the Directors took early action to contain uncommitted costs where possible such as in marketing expenditure and site works.

The Company drew down an available term loan from its principal bankers, Santander, in the sum of £1.5m and also used the governments Coronavirus Business Interruption Loan scheme to facilitate a further £1m borrowing. These actions were precautionary to maximise available cash in the business whilst the lockdown period and impact was uncertain.

During the year, the group made a strategic decision and acquired 100% interest of JOG3 LLP, the cost of this is reflected within the accounts

The directors are pleased with the year end net asset position of £11,579,631 (2019: £11,233,978).

Key performance indicators

The directors consider visitor numbers and spend per head within Heritage Attractions Limited and Heritage Brand Ventures Limited to be key performance indicators. Overall there was an increase in visitor numbers of 5.59% and an increase in spend per head of 5.65%. The reason for this increase is due to Sandham Gardens new golf attraction opening in the year and a general increase in trade. The directors are pleased with these results.

Principal risks and uncertainties

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

The group finances its activities through a combination of 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 group's operating activities. The group does not trade in financial instruments and has no other form of derivatives, however, does have hedging on an interest rate loan.

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

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.

Future developments

Following significant investment in 2019, the company has confirmed its plans to maintain strong reinvestment in its existing portfolio during 2020 and beyond. Over the coming years, the company could see over £5 million of investment in capital expenditure and within 2020 will welcome two new hybrid locomotives to the fleet at Snowdon Mountain Railway together with a high nets attraction at Sandham Gardens. Although the impact of the coronavirus pandemic in 2020 is significant on the tourism and hospitality sector and the company, the Directors remain confident that their investment plans can continue albeit over an extended period.

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Strategic report (continued)

For the year ended 31 January 2020

The new locomotives at Snowdon Mountain Railway will replace two of the existing diesel locomotives and allow a reduction in emissions, maintenance and fuel costs plus allow an increase in capacity through the introduction of passenger pods on each locomotive. The high nets at Sandham Gardens are seen as completing the attraction offering at the site, following the investment in a Jurassic Adventure Golf in 2019 and introduction of children's go-karts. Supplemented with further catering facilities at the site, this will allow the company to significantly increase the revenue and contribution from this recently acquired site.

All sites will see further modest investment in existing assets such as new bathrooms within some rooms at Land's End Hotel, a refurbishment of the First and Last Inn, toilet block complete make-over at The Needles and multi-lingual audio tour at Royal Liver Building 360.

The directors made the decision to exercise the break clause available under the lease at Mattel Play! Liverpool and have formally notified the landlord of this. Mattel Play! Liverpool will therefore close during 2020. It is the intention of the directors to continue to seek out new ventures in the tourism and hospitality sector which may operate through this subsidiary.

After the lifting of Coronavirus restrictions in early July 2020, the return of footfall to the sites has exceeded initial expectations albeit some operations remain with limited capacity or reduced operations.

This report was approved by the board on 30 September 2020 and signed by its order.



P M Johnson-Treherne
Director

Directors' report

The directors present their report and the audited consolidated financial statements of Heritage Great Britain PLC for the year ended 31 January 2020.

Directors and their interests

The directors of the company during the year were as follows:

P M Johnson-Treherne
A J S Leech

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.

Results and dividends:

The results for the year are set out on page 10. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Disclosure of information to the auditor

Each person who was a director at the time this report was approved confirms that:

- So far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s.414C (11) to set out in the company's Strategic Report information required by Large and Medium sized companies and Group (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments.

Disabled persons

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, wherever possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The group's policy is to involve employees, wherever possible, in matters likely to affect employees' interests. Information regarding matters of concern is communicated to employees in order to raise employee awareness of the group's performance. This is achieved through formal and informal meetings. Employee representatives are consulted on a wide range of matters affecting the current and future interest.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report was approved by the board on 30 September 2020 and signed by its order.



Gary Johnson
Company Secretary

Statement of Directors' responsibilities

For the year ended 31 January 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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.

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

Opinion

We have audited the financial statements of Heritage Great Britain PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2020 which comprise consolidated profit and loss account, consolidated statement of other comprehensive income, consolidated balance sheet, company balance sheet, consolidated and company statement of changes in equity, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that it is likely that the group will breach a bank covenant in the next 12 months. Whilst the group has the continuing financial support of its bankers, a material uncertainty currently exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

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

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.

RSM UK Audit LLP

MICHAEL FAIRHURST FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
14th Floor, 20 Chapel Street
Liverpool
L3 9AG
Date: 1 October 2020

Consolidated profit and loss account

For the year ended 31 January 2020

	Notes	2020 £	2019 £
Turnover: Group and share of Joint Ventures		17,235,782	15,524,096
Less: share of joint ventures		(75,497)	(91,239)
	2	<u>17,160,285</u>	<u>15,432,857</u>
Cost of sales		(4,386,454)	(3,980,407)
Gross Profit		<u>12,773,831</u>	<u>11,452,450</u>
Administrative expenses		(12,193,450)	(10,531,912)
Other operating income	3	68,398	68,447
Other operating expense	4	(70,153)	(65,159)
Group operating profit		<u>578,626</u>	<u>923,826</u>
Share of operating loss in joint ventures		(42,963)	(8,298)
		<u>535,663</u>	<u>915,528</u>
Total operating profit		535,663	915,528
Interest receivable and similar income:			
Group		25,445	18,368
Share of joint ventures		2	-
Interest payable and similar charges:			
Group	5	(137,125)	(146,648)
Share of joint ventures	5	(22,238)	(21,306)
		<u>401,747</u>	<u>765,942</u>
Profit on ordinary activities before taxation	6	401,747	765,942
Taxation	9	(47,994)	(227,938)
Retained profit for the financial year		<u>353,753</u>	<u>538,004</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.

Consolidated statement of other comprehensive income**For the year ended 31 January 2020**

	Notes	2020 £	2019 £
Profit for the financial year		353,753	538,004
Total comprehensive income for the year		<u>353,753</u>	<u>538,004</u>

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Consolidated Balance Sheet

At 31 January 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	13,211,266	12,536,267
		<u>13,211,266</u>	<u>12,536,267</u>
Investments in joint ventures			
Share of gross assets		706,522	811,442
Share of gross liabilities		(821,832)	(861,552)
		<u>(115,310)</u>	<u>(50,110)</u>
Current assets			
Stocks	12	673,197	754,550
Debtors	13	825,671	911,451
Cash at bank and in hand		2,954,281	3,560,663
		<u>4,453,149</u>	<u>5,226,664</u>
Creditors: amounts falling due within one year	14	(2,321,093)	(2,609,777)
Net current assets		<u>2,132,056</u>	<u>2,616,887</u>
Total assets less current liabilities		<u>15,228,012</u>	<u>15,103,044</u>
Creditors: amount falling due after more than one year	15	(3,118,809)	(3,390,555)
Provisions for liabilities	16	(529,572)	(478,511)
Net assets		<u>11,579,631</u>	<u>11,233,978</u>
Capital and reserves			
Called up share capital	17	5,213,371	5,213,371
Profit and loss account	18	6,277,160	5,923,407
Other reserves	18	89,100	97,200
Equity shareholders' funds		<u>11,579,631</u>	<u>11,233,978</u>

The financial statements were approved by the Board of Directors on 30 September 2020 and were signed on its behalf by:



P M Johnson-Treherne
Director

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Company Balance Sheet

For the year ended 31 January 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	10	76,714	79,091
Investments	11	12,585,183	12,585,133
		<u>12,661,897</u>	<u>12,664,224</u>
Investments in joint ventures			
Tangible assets	11	115,583	115,583
Current assets			
Debtors	13	519,599	2,662,761
Cash at bank and in hand		2,461,743	2,789,263
		<u>2,981,342</u>	<u>5,452,024</u>
Creditors: amounts falling due within one year	14	(7,366,511)	(8,492,415)
Net current liabilities		<u>(4,385,169)</u>	<u>(3,040,391)</u>
Total assets less current liabilities		<u>8,392,311</u>	<u>9,739,416</u>
Creditors: amount falling due after more than one year	15	(3,108,809)	(3,380,555)
Net assets		<u>5,283,502</u>	<u>6,358,861</u>
Capital and reserves			
Called up share capital	17	5,213,371	5,213,371
Profit and loss account		(18,969)	1,048,290
Other reserves		89,100	97,200
Equity shareholders' funds		<u>5,283,502</u>	<u>6,358,861</u>

The company's loss for the year and total comprehensive income for the year was £1,067,259 (2019: £97,685).

The financial statements were approved by the Board of Directors on 30 September 2020 and were signed on its behalf by:



P M Johnson-Treherne
Director

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Consolidated statement of changes in equity**For the year ended 31 January 2020**

	Share Capital £	Profit and loss account £	Other Reserves £	Total £
At 1 February 2018	5,213,371	5,385,403	53,400	10,652,174
Profit for the financial year	-	538,004	-	538,004
Capital contribution	-	-	43,800	43,800
At 31 January 2019	5,213,371	5,923,407	97,200	11,233,978
Profit for the financial year	-	353,753	-	353,753
Capital Contribution	-	-	(8,100)	(8,100)
At 31 January 2020	5,213,371	6,277,160	89,100	11,579,631

Company statement of changes in equity**For the year ended 31 January 2020**

	Share Capital £	Profit and loss account £	Other Reserves £	Total £
At 1 February 2018	5,213,371	950,605	53,400	6,217,376
Loss for the financial year	-	97,685	-	97,685
Capital contribution	-	-	43,800	43,800
At 31 January 2019	5,213,371	1,048,290	97,200	6,358,861
Loss for the financial year	-	(1,067,259)	-	(1,067,259)
Capital Contribution	-	-	(8,100)	(8,100)
At 31 January 2020	5,213,371	(18,969)	89,100	5,283,502

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Consolidated cash flow statement**For the year ended 31 January 2020**

	Notes	2020 £	2019 £
<i>Net cash inflow from operating activities</i>	20	2,214,897	1,659,580
<i>Financing activities</i>			
Interest received and similar income		25,445	18,368
Interest paid on bank loans and overdrafts		(137,125)	(82,977)
Interest element of finance lease rental payments		-	(63,671)
Repayments of borrowings		(350,000)	(2,125,962)
Repayments of finance lease liabilities		-	(976,961)
Repayment of interest rate swap		-	(188,500)
Proceeds from new term loan		-	3,500,000
<i>Net cash (used in) / generated from financing activities</i>		(461,680)	80,297
<i>Investing activities</i>			
Payments to acquire tangible fixed assets		(2,346,274)	(1,350,272)
Acquisition of JOG3 LLP		(50)	-
Receipts from sales of tangible fixed assets		-	10,450
<i>Net cash used in investing activities</i>		(2,346,324)	(1,339,822)
<i>Net (decrease) / increase in cash in the year and cash equivalents</i>		(593,107)	400,055
Cash and Cash equivalents at 1 February		3,547,388	3,147,333
Cash and Cash equivalents at 31 January		2,954,281	3,547,388
Relating to:			
Bank balances included in "cash at bank and in hand"		2,954,281	3,560,663
Overdrafts included in "creditors: amounts due within one year"		-	(13,275)
		2,954,281	3,547,388

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Notes to the financial statements

For the year ended 31 January 2020

1. Accounting policies

Basis of preparation

Heritage Great Britain PLC is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor, 88 Church Street, Liverpool, L1 3HD.

The group consists of Heritage Great Britain and all of its subsidiaries.

The company's and groups principal activities are disclosed in the Strategic report.

The Group and parent company financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Heritage Great Britain Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company continues to adopt the reduced disclosure framework of FRS 102 in its financial statements.

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 January 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

1. Accounting policies (*continued*)

Investment

Interests in subsidiaries 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.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors accept that there is greater uncertainty in the UK economy in 2020 and 2021 than in recent years due to the impact of the Coronavirus. With this in mind, the forecasting has been prepared looking further ahead and the business has become much more focussed on cost saving and monitoring cash flows.

The board continues to update its forecasts on a more regular basis than normal as both internal and external factors or issues arise. The group has maintained a higher cash balance in the bank in 2020 than it usually would, to protect against any sudden downturn and ensure it can continue to meet liabilities as they fall due.

As a seasonal business, the group and company are well versed in preparing for periods with little or no cash inflow and have used this prudent approach to future trading levels when managing cash resources. The board has chosen to draw down on additional facilities to increase its cashflow headroom to further demonstrate its prudent approach to working capital management. The board has included within its scenario planning the possibility of further lockdowns which prevent trading.

The group has a close relationship with its bankers who are supportive of the business. The group took a 6 month payment holiday offered by its bankers on all term loans and asset finance. Capital repayments will recommence in October 2020. The board has included within its cash flow forecasts the full repayment of the £1m CBILS loan in May 2021, however the repayment of this can continue to be amortised over its 3 year term should the business require further headroom.

The cash within Heritage Attractions Limited, Heritage Brand Ventures Limited and Heritage Great Britain PLC is managed on a group basis.

Material uncertainty

The bank provides the Group with a loan totalling £3,091,667 at 31 January 2020 repayable over the next 8 years and 10 months. Although the Group's banker has stated that it intends to support the Group through the next 12 months, it cannot specifically grant waivers of the Group's forecasted breaches of the covenants over the entire 12 month period. The Group will seek covenant waivers at each covenant date (otherwise the loan would technically become repayable on demand) as the bank will not waive a potential breach in advance and it anticipates that these requests will be met positively.

In light of the general uncertainties posed by the pandemic across many businesses in the UK, the Directors recognise that there is a material uncertainty about the Company's and Group's ability to continue as a going concern. However, because of the support expressed by the Group's bankers the Directors have continued to prepare the financial statements on a going concern basis.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits. The directors do not believe any goodwill has arisen on the acquisition of JOG 2 Limited in the year.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

1. Accounting policies (continued)

Jointly controlled activities

Entities in which the group has a long term interest and shares controlled under a contractual arrangement are classified as jointly controlled entities. Jointly controlled entities are accounted for using the equity method.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

1. Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

1. Accounting policies (continued)

Turnover

Turnover is stated net of value added tax and represents the total amount receivable by the company in respect of admission, accommodation, catering and retail sales provided during the year. For admission, food and beverage and retail income, revenue is recognised on receipt of cash basis. For hotel accommodation and other miscellaneous income, revenue is recognised on delivery of the goods or performance of the service.

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%

Land and assets under construction are not depreciated.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

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. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

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.

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Notes to the financial statements (continued)**For the year ended 31 January 2020****1. Accounting policies (continued)****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.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

The Group operates a defined contribution pension scheme for certain employees. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The costs are charged to the profit and loss account as incurred. The charge for the year was £208,342 (2019: £233,334). There are no contributions payable at the period end.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

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Notes to the financial statements (continued)**For the year ended 31 January 2020****1. Accounting policies (continued)****Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. During the year, the goodwill attributable to the purchase of the remaining 50% of JOG 3 LLP was written off. The Directors do not believe that any accounting estimates or judgements to be critical.

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:

	2020 £	2019 £
By activity:		
Attractions and admissions	7,846,309	6,697,212
Retail	3,994,797	3,760,643
Catering, hotel and bar	5,087,569	4,829,174
Other revenue	231,610	145,828
	<u>17,160,285</u>	<u>15,432,857</u>

3. Other operating income

	2020 £	2019 £
Rental income	68,398	68,447
	<u>68,398</u>	<u>68,447</u>

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Notes to the financial statements (continued)**For the year ended 31 January 2020****4. Other operating expense**

	2020 £	2019 £
Fair value loss on interest rate swap	70,153	65,159
	<u>70,153</u>	<u>65,159</u>

5. Interest payable and similar charges

	2020 £	2019 £
Bank Loans and overdrafts	137,125	82,977
Finance lease charges payable under finance leases and hire purchase contracts	-	63,671
	<u>137,125</u>	<u>146,648</u>
Share of joint ventures	<u>22,238</u>	<u>21,306</u>

6. Profit on ordinary activities before taxation

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

	2020 £	2019 £
Depreciation of tangible fixed assets - owned	851,587	740,905
Operating lease rentals – plant and machinery	25,691	28,486
Operating lease rentals - land and buildings	35,292	135,582
Carrying amount of stock sold	4,386,454	3,980,407
Impairment of fixed assets	819,738	-
Auditors remuneration:		
Audit of these financial statements	23,000	19,600
Taxation compliance services	4,600	3,980
Government grant – release of deferred income	(6,000)	(6,000)
	<u></u>	<u></u>

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Notes to the financial statements (continued)

For the year ended 31 January 2020

7. Emoluments of directors

	2020 £	2019 £
Aggregate emoluments (including benefits in kind)	228,972	201,927
Pension contributions to a money purchase scheme	55,002	57,618
	283,974	259,545
	2020 £	2019 £
Highest paid Director:		
Aggregate emoluments (including benefits in kind)	133,368	90,410
Pension contributions to a money purchase scheme	15,646	42,204
	149,014	132,614
	2020 No.	2019 No.
Retirement benefits are accruing to the following number of directors under:		
Money purchase pension schemes	2	2

8. Employee Information

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

	Group		Company	
	2020 No.	2019 No.	2020 No.	2019 No.
Management and administration	36	41	11	10
Retail, catering and other	325	315	-	-
	361	356	11	10

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

	Group		Company	
	2020 No.	2019 No.	2020 No.	2019 No.
Management and administration	36	41	11	10
Retail, catering and other	236	211	-	-
	272	252	11	10

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Notes to the financial statements (continued)**For the year ended 31 January 2020****8. Employee Information (continued)**

Aggregate payroll costs of these persons were as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	5,801,227	5,392,082	369,725	335,245
Social security costs	434,107	398,490	54,768	49,801
Pension costs	208,342	203,773	77,483	79,139
	<u>6,443,676</u>	<u>5,994,345</u>	<u>501,976</u>	<u>464,185</u>

9. Tax on profit on ordinary activities**a) Analysis of tax charge in period**

	2020	2019
	£	£
Current Tax:		
UK corporation tax on profit for the year	104,061	201,349
Adjustments in respect of prior periods	(107,128)	(652)
Total current tax	<u>(3,067)</u>	<u>200,697</u>
Deferred tax:		
Origination and reversal of timing differences	<u>51,061</u>	<u>27,241</u>
Total deferred tax (note 16)	<u>51,061</u>	<u>27,241</u>
Tax on profit on ordinary activities (note 9b)	<u>47,994</u>	<u>227,938</u>

All current and deferred tax charges are recognised in the statement of profit and loss.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

9. Tax on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

	2020 £	2019 £
Profit the year	353,753	538,004
Total tax expense	47,994	227,938
Profit excluding taxation	401,747	765,942
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	76,332	145,528
Effects of:		
Expenses not deductible for tax purposes	34,911	20,277
Fixed asset differences	299,973	60,116
Adjustment in respect of previous periods	(106,930)	(652)
Income not taxable for tax purposes	-	-
Amounts relating to change in tax rates	(33,031)	(3,179)
Share of joint venture losses	12,388	5,625
Deferred tax not recognised	(235,668)	223
Joint venture asset impairment	19	-
Total tax expense recognised in profit or loss	47,994	227,938

The rate of corporation tax applied to profits in this accounting period is 19%. A reduction in the tax rate to 17% with effect from 1 April 2020 has previously been substantively enacted. In the 2020 Finance Bill, which was substantively enacted on 17 March 2020, this reduction in rate was reversed and the previous corporation tax rate of 19% will continue to apply. Deferred tax has been calculated using the 17% rate, this being that prevalent at 31 January 2020. The directors do not expect the change in rate to have a material effect on the tax amounts included in the balance sheet.

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Notes to the financial statements (continued)

For the year ended 31 January 2020

10. Tangible fixed assets

	Freehold / leasehold Land and Buildings	Railway line and rolling stock	Plant and machinery	Motor vehicles	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£	£	£
Cost:							
At 1 February 2019	11,204,786	3,507,601	4,375,276	162,336	3,582,431	664,640	23,497,070
Additions	308,602	-	951,470	-	346,202	740,000	2,346,274
Reclassification	128,287	-	384,308	-	152,045	(664,640)	-
At 31 January 2020	11,641,675	3,507,601	5,711,054	162,336	4,080,678	740,000	25,843,344
Depreciation:							
At 1 February 2019	4,025,821	906,169	2,924,820	122,568	2,981,425	-	10,960,803
Charge for the year	271,752	65,323	345,772	6,536	162,204	-	851,587
Impairment	240,562	-	532,647	-	46,529	-	819,738
At 31 January 2020	4,538,135	971,492	3,803,239	129,104	3,190,158	-	12,632,128
Net book value: At 31 January 2020	7,103,540	2,536,109	1,907,815	33,232	890,520	740,000	13,211,216
At 31 January 2019	7,178,965	2,601,432	1,450,456	39,768	601,006	664,640	12,536,267

The net book value of land and buildings comprises:

	2020 £	2019 £
Freehold	7,103,540	7,178,965
	<u>7,103,540</u>	<u>7,178,965</u>

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Notes to the financial statements (continued)

For the year ended 31 January 2020

10. Tangible fixed assets (continued)

<i>Company</i>	Total £
Cost:	
At 1 February 2019	222,811
Additions	18,470
At 31 January 2020	241,281
Depreciation:	
At 1 February 2019	143,720
Charge for the year	20,847
At 31 January 2020	164,567
Net book value:	
At 31 January 2020	76,714
At 31 January 2019	79,091

11. Investments

<i>Company</i>	2020 £	2019 £
Cost and net book value		
At 1 February	12,585,133	12,585,133
Acquisition	50	-
Disposal	-	-
At 31 January	12,585,183	12,585,133

The undertakings in which the Group and Company's interest at the year end is more than 20% are as follows:

	Principal activity	Class and percentage of shares held	Country of incorporation
Heritage Attractions Limited	Operations of various landmark day visitor attractions	100% ordinary	England
Heritage Brand Ventures Limited	Day visitor attraction	100% ordinary	England
Snowdon Mountain Railway Limited	Dormant	100% ordinary	England
The Land's End and John O'Groats Company Limited	Dormant	100% ordinary	England
LEJOG Limited	Dormant	100% ordinary	England
CQ2 Limited	Dormant	100% ordinary	England
Heritage Activities Limited	Dormant	100% ordinary	England
Snowdon Mountain Tramroad and Hotels Company Limited	Dormant	100% ordinary	England
End to End Limited	Dormant	100% ordinary	England
JOG 3 LLP	Rental of retail and catering properties	100% ordinary	England

The registered office for the companies listed above is: 5th Floor, 88 Church Street, Liverpool, L1 3HD.

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Notes to the financial statements (continued)**For the year ended 31 January 2020****11. Investments (continued)**

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	Class and percentage of shares held
Lands End Limited	Dormant	100% ordinary
John O'Groats Limited	Dormant	100% ordinary

The registered office for the companies listed above is: 5th Floor, 88 Church Street, Liverpool, L1 3HD.

Joint Ventures Investments

The company currently has a total of three jointly controlled entities with the Natural Assets Investments Limited with a total investment of £115,583 (2019: £115,583).

The joint ventures are all registered in England and Wales, with 31 December accounting year ends:

	Principal activity	Percentage ownership
JOG Highlands LLP	Operation of luxury self-catering accommodation	50% control
JOG 2 Limited	Public realm development	50% control

The registered office for JOG Highlands LLP is Glasshouse, Alderley Park, Congleton Road, Macclesfield, SK10 4TG
The registered office for JOG 2 Limited is 5th Floor, 88 Church Street, Liverpool, L1 3HD.

12. Stocks

	Group	
	2020	2019
	£	£
Finished goods and goods for resale	414,258	456,350
Raw Materials	224,307	242,457
Catering and bar stocks	34,632	55,743
	673,197	754,550

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Notes to the financial statements (continued)

For the year ended 31 January 2020

13. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	74,729	77,544	44,676	61,978
Other debtors	379,294	460,195	219,446	393,257
Amounts falling due from other group undertakings	-	-	150,958	2,118,867
Prepayments and accrued income	371,648	373,712	102,832	87,410
Deferred tax asset	-	-	1,687	1,249
	825,671	911,451	519,599	2,662,761
Amounts due after more than one year included in:				
Other debtors	122,061	264,272	122,061	264,272
	122,061	264,272	122,061	264,272

Total other debtors include amounts owed from JOG 2 Limited of £122,061 (2019: £114,272). All amounts are due in more than one year.

14. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	574,222	719,869	71,869	142,349
Bank overdraft	-	13,275	-	-
Loans	350,000	350,000	350,000	350,000
Corporation tax	-	91,349	-	-
Other taxation and social security	95,334	88,399	13,524	14,281
Other creditors	189,173	282,576	144,913	229,950
Accruals and deferred income	338,676	411,825	106,643	79,564
Deferred grant income and deposits	773,688	652,484	-	-
Amounts owed to subsidiary companies	-	-	6,679,562	7,676,271
	2,321,093	2,609,777	7,366,511	8,492,415

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Notes to the financial statements (continued)

For the year ended 31 January 2020

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Loans – secured (see below)	2,741,667	3,091,666	2,741,667	3,091,666
Other creditors	220,900	212,800	210,900	202,800
Interest rate swap	156,242	86,089	156,242	86,089
	<u>3,118,809</u>	<u>3,390,555</u>	<u>3,108,809</u>	<u>3,380,555</u>

Details of the maturity of loans are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due:				
In one year or less	350,000	350,000	350,000	350,000
In more than one year but no more than two years	350,000	350,000	350,000	350,000
In more than two years but not more than five years	1,050,000	1,050,000	1,050,000	1,050,000
In more than five years	1,341,667	1,691,666	1,341,667	1,691,666
	<u>3,091,667</u>	<u>3,441,666</u>	<u>3,091,667</u>	<u>3,441,666</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 the overall loan balance is fixed at 3.89% on £3,091,667 by way of a fixed interest agreement. The bank loans are 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 companies 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 2020 was £2,922,180 positive (2019: £3,420,352 positive).

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Notes to the financial statements (continued)

For the year ended 31 January 2020

16. Provisions for liabilities and charges

<i>Group</i>	<i>Deferred taxation</i>
	£
At 1 February 2019	478,511
Additional provision in the year	51,061
	<u>529,572</u>

Deferred taxation

The amounts provided for deferred taxation are set out below:

<i>Group</i>	2020	2019
	£	£
Differences between accumulated depreciation and capital allowances	529,572	478,511
	<u>529,572</u>	<u>478,511</u>

The amount of the net reversal of deferred tax expected to occur next year is £51,061 (2019: £27,241), relating to the reversal of existing timing differences on tangible fixed assets and the organisation of new timing differences on tangible fixed assets.

17. Share capital

	Ordinary Shares	
	2020	2019
	£	£
Share Capital		
Ordinary shares £1 each		
On issue at 1 February	5,213,371	5,213,371
On issue at 31 January – fully paid	<u>5,213,371</u>	<u>5,213,371</u>

Ordinary shares carry no right to fixed income, each carry the rate to one value at general meetings of the company.

18. Reserves

Profit and loss account

Cumulative profit and loss net of distribution to owners.

Other reserves

Cumulative effect of financing from parent company.

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Notes to the financial statements (continued)**For the year ended 31 January 2020****19. Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Operating leases which expire:				
Within one year – other	7,300	21,582	-	3,322
In two to five years – other	5,048	4,931	-	-
Within one year - land and buildings	126,276	121,946	42,943	26,946
In two to five years – land and buildings	147,791	606,293	147,791	156,280
Over five years – land and buildings	111,975	1,979,829	111,975	146,429

20. Reconciliation of profit after tax to net cash inflow from operating activities

	2020	2019
	£	£
Profit after tax	353,753	538,004
Depreciation	851,587	740,905
Impairment	819,738	-
Share of loss in joint venture	42,963	8,298
Taxation	47,994	227,938
Interest receivable and similar changes	(25,447)	(18,368)
Interest payable	159,363	167,954
Loss on sale of tangible assets	-	1,961
Fair value loss / (gain) on financial instruments	70,153	65,159
Release of landlord contribution	(25,000)	-
Release of deferred grant income	(6,000)	(6,000)
	2,289,104	1,725,851
Decrease in stocks	81,353	55,276
Decrease / (increase) in debtors	140,847	(201,059)
(Decrease) / increase in creditors	(153,058)	305,086
	69,142	159,303
Tax paid	(143,349)	(225,574)
Cash generated from operating activities	2,214,897	1,659,580

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Notes to the financial statements (continued)

For the year ended 31 January 2020

21. Related party transactions

Significant related party transactions are detailed below. The directors have taken advantage of the exemption available under FRS 102 Section 33 not to disclose transactions with other members of the Heritage Great Britain PLC group on the grounds that these are eliminated on consolidation.

- 1) In a previous year the company received £10,000 from La Vignette Ltd (a company invested into by the Family Trust based in Gibraltar of which Mr A J S Leech is also a beneficiary) as a contribution in the form of a loan towards various capital projects. The full £10,000 was outstanding at the year end (2019: £10,000).
- 2) The company has an outstanding loan due from La Vignette Ltd (a company invested into by the Family Trust based in Gibraltar of which MR A J S Leech is also a beneficiary) to the value of £79,859 (2019: £79,859).

22. Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows:

	2020	2019
	£	£
Aggregate compensation	312,579	284,499

23. 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 FRS 102 Section 33, over that company.

24. Post balance sheet events

As a result of the Covid-19 pandemic and related national lockdown imposed by the UK Government, all sites within the group closed with effect from 23rd March 2020 and then reopened in early July 2020 when the relevant restrictions were lifted. Even before the lockdown was imposed, the Directors took early action to contain uncommitted costs where possible such as in marketing expenditure and site works.

The Company drew down an available term loan from its principal bankers, Santander, in the sum of £1.5m and also used the governments Coronavirus Business Interruption Loan scheme to facilitate a further £1m borrowing. These actions were precautionary to maximise available cash in the business whilst the lockdown period and impact was uncertain.

In addition, the Group furloughed approximately 88% of its staff from late March and used the Coronavirus Job Retention Scheme to support the furlough payments. Other government support such as rates relief and grants, together with tourism and SME specific grants have been used.

Since re-opening the trading sites in early July 2020, the return of footfall to the sites has exceeded initial expectations albeit some operations remain with limited capacity or reduced operations.

The directors do not believe that the Covid-19 post balance sheet events have had an impact on the figures stated in the 2020 financial statements.