

374 1747

Heritage Attractions Limited

Report and Accounts

31 January 2007



Heritage Attractions Limited

Registered No 3741747

Directors

A J S Leech
P M Treherne
D C S Westgate

Secretary

P Cushion

Auditors

Ernst & Young LLP
20 Chapel Street
Liverpool
L3 9AG

Bankers

Alliance & Leicester Commercial Bank
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Salehs LLP
748 Wilmslow Road
Didsbury
Manchester
M20 6WF

Registered Office

Suite 37
The Colonnades
Albert Dock
Liverpool
L3 4AA

The directors present their report and the audited financial statements for the year ended 31 January 2007

Principal activities

The principal activity of the company is the operation of various landmark day visitor attractions in the Isle of Wight, Cornwall, North Wales and Scotland

Review of the business and future developments

The Directors are satisfied with the results for the year which show an increase in operating profit of £196,000

The Needles Park continued to perform to expectations with increased turnover and strong cost control

Lands End suffered from a downturn in visitor numbers but with capital investment in the retail and catering outlets and a new 'Dr Who' exhibition in the winter the Directors are confident that there will be an increase in visitor numbers in 2007-08

World in Miniature was re-branded under the new name Miniatura Park and the content was improved with significant capital investment which has continued in 2007-08

The summit building at Snowdon Mountain Railway was closed towards the end of the season and is being replaced by a new building This is to open in time for the 2008 season which will add greatly to the visitor experience

After the year end the company re-financed its banking arrangements This will allow further capital investment in the content of the sites to enhance the visitor experience for years to come

The results of the company are dependent on a number of factors including the buoyancy of the regions, the UK's tourism industry and the weather

During the year, the Directors sought to dispose of the Bugle Inn business on the Isle of Wight so as to allow the company to concentrate on the core sites This sale was completed in February 2007

Results and dividends

The profit for the year, after taxation, amounted to £264,424 (2006 £250,740) The directors do not recommend a final dividend There were no dividends paid in the year (2006 £nil)

Directors and their interests

The directors of the company during the year were as follows

A J S Leech
P M Treherne
D C S Westgate

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 Heritage Great Britain PLC, the immediate holding company of Heritage Attractions Limited None of the other directors have interests in the shares of the company

Treasury policies

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

The company finances its activities with a combination of bank overdrafts, 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 company does not trade in financial instruments and has no other form of derivatives.

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

Interest rate risk

The company finances its operations through a mixture of retained profits, bank overdrafts and balances with group undertakings. The bank borrowings are at floating rates.

Liquidity risk

The company's overdraft facilities are repayable on demand. The company expects to replace or renew these when required later in the year. Loans from group undertakings are payable on demand.

Foreign currency risk

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

Political and Charitable Donations

There were no political donations made during the year. Charitable donations amounted to £7,426 (2006 £6,386).

Employees

The company is committed to the development of all employees, both full time and part time. This is achieved by regular training programmes and keeping all staff informed and involved in the company's activities through regular meetings and communications. The employees are flexible in their working and are an important asset of the company. The company is committed to the provision of equal opportunities for all employees.

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever possible.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Heritage Attractions Limited

Registered No 3741747

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



P Cushion
Secretary

Independent auditors' report

to the members of Heritage Attractions Limited

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company and of the profit or loss of the group for that period. In preparing those 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We have audited the Company's financial statements for the year ended 31 January 2007, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, and the related notes 1 to 27. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements.

We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Independent auditors' report

to the members of Heritage Attractions Limited

Basis of audit opinion

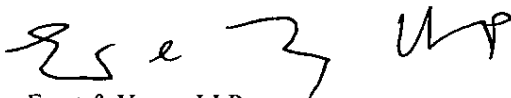
We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of affairs of the company as at 31 January 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the accounts



Ernst & Young LLP
Registered Auditor
Liverpool

23/8/07

Profit and loss account

for the year ended 31 January 2007

	Notes	2007 £	2006 £
<i>Turnover</i>	2	9,891,690	9,746,930
Cost of sales		(2,949,483)	(2,949,129)
<i>Gross profit</i>		6,942,207	6,797,801
Administrative expenses		(6,773,516)	(6,690,434)
Exceptional item	3	-	(135,000)
<i>Operating profit/(loss)</i>		168,691	(27,633)
Interest receivable and similar income	4	125,068	127,550
Interest payable and similar charges	5	(39,273)	(32,867)
<i>Profit on ordinary activities before taxation</i>	6	254,486	67,050
Taxation	9	9,938	183,690
<i>Profit on ordinary activities after taxation</i>	21	264,424	250,740

All operations are continuing

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

Statement of total recognised gains and losses

for the year ended 31 January 2007

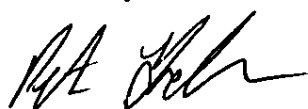
	Notes	2007 £	2006 £
Profit for the year		264,424	250,740
Actuarial gain/(loss) on pension scheme	27	121,300	(154,700)
Total recognised gains and losses relating to the year		385,724	96,040

Balance sheet

At 31 January 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	10	11,589,794	11,824,634
Intangible assets	11	169,746	183,509
Investments	12	4	4
		<u>11,759,544</u>	<u>12,008,147</u>
Current assets			
Properties held for sale	13	56,698	-
Stocks	14	488,510	498,968
Debtors	15	5,520,366	4,419,252
Cash at bank and in hand		32,841	39,459
		<u>6,098,415</u>	<u>4,957,679</u>
Creditors amounts falling due within one year	16	2,449,907	1,830,777
Net current assets		<u>3,648,508</u>	<u>3,126,902</u>
Total assets less current liabilities		<u>15,408,052</u>	<u>15,135,049</u>
Creditors amounts falling due after more than one year	17	5,641,820	5,609,791
Accruals and deferred income	18	79,011	89,011
Provision for liabilities and charges excluding pension deficit	19	484,240	486,090
Net assets excluding pension deficit		<u>9,202,981</u>	<u>8,950,157</u>
Pension scheme deficit		456,400	589,300
Net assets including pension deficit		<u>8,746,581</u>	<u>8,360,857</u>
Capital and reserves			
Called up share capital	20	8,221,502	8,221,502
Profit and loss account	21	525,079	139,355
Equity shareholders' funds	22	<u>8,746,581</u>	<u>8,360,857</u>

The financial statements were approved by the Board of Directors on 22 August 2007 and were signed on its behalf by



P M Treherne
Director

Notes to the financial statements

For the year ended 31 January 2007

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 1987 s256. 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.

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%
Computer equipment	-	33%

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.

Railway line 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 term of the lease.

Investments

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

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

For the year ended 31 January 2007

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.

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.

Pensions

The company 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 £102,693 (2006 £107,955). There was no creditor outstanding at the period end.

The company also operates a pension scheme providing benefits based on final pensionable pay. 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 27 to the accounts.

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.

Notes to the financial statements

For the year ended 31 January 2007

1. Accounting policies (continued)

Goodwill

Positive goodwill arising on acquisitions 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.

Cash flow statement

The company has taken advantage of the exemption available to wholly owned subsidiary companies of a UK parent not to prepare a cash flow statement.

Group Accounts

The company is exempt from the requirement to present consolidated accounts as it is a wholly owned subsidiary undertaking of Heritage Great Britain PLC, registered in England and Wales. The accounts present the results of the company only.

2. Turnover

Turnover, which is stated net of value added tax, consists entirely of sales made in the United Kingdom which can be analysed as follows:

	2007 £	2006 £
By activity		
Attractions and admissions	3,484,423	3,638,397
Retailing	2,857,185	2,831,404
Catering, hotel and bar	3,165,611	3,182,025
Other revenues	384,471	95,104
	<u>9,891,690</u>	<u>9,746,930</u>

3. Exceptional Item

	2007 £	2006 £
Included within operating profit		
Write down of fixed assets as a result of impairment review	-	(135,000)
	<u>-</u>	<u>(135,000)</u>

4. Interest receivable and similar income

	2007 £	2006 £
Rent receivable	125,068	127,550
	<u>125,068</u>	<u>127,550</u>

Notes to the financial statements

For the year ended 31 January 2007

5. Interest payable and similar charges

	2007	2006
	£	£
Finance charges payable under finance leases and hire purchase contracts	12,773	9,167
Other finance costs	26,500	23,700
	<u>39,273</u>	<u>32,867</u>

6. Profit on ordinary activities before taxation

	2007	2006
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation on tangible fixed assets - owned	468,695	578,711
- leased	21,895	19,784
Amortisation of goodwill	13,762	13,762
Operating lease rentals - plant and machinery	36,407	30,664
- land and buildings	55,000	55,000
Government grants - release of deferred income	(10,000)	(9,999)
	<u></u>	<u></u>

Auditors' remuneration for audit and other services has been met by the parent company

7. Emoluments of directors

	2007	2006
	£	£
Aggregate emoluments (including benefits in kind)	54,635	97,311
Pension contributions to a money purchase scheme	6,268	75,676
	<u>60,903</u>	<u>172,987</u>
Members of money purchase pension schemes	<u>1</u>	<u>2</u>

Notes to the financial statements

For the year ended 31 January 2007

8. Employee information

The average monthly number of persons (including paid executive directors) employed by the company during the period was

	2007	2006
	No	No
By activity		
Management and administration	12	12
Retail, catering and other	295	302
	<u>307</u>	<u>314</u>
	<u><u>307</u></u>	<u><u>314</u></u>
	2007	2006
	£	£
Staff costs for the above persons		
Wages and salaries	3,424,050	3,420,795
Social security costs	270,275	272,387
Pension costs	102,693	107,955
	<u>3,797,018</u>	<u>3,801,137</u>
	<u><u>3,797,018</u></u>	<u><u>3,801,137</u></u>

9. Taxation

a) Analysis of tax charge in year

	2007	2006
	£	£
Current tax	-	-
UK corporation tax on profits of the year		
Adjustments in respect of previous year	(8,087)	(168,798)
Total current tax	<u>(8,087)</u>	<u>(168,798)</u>
Deferred tax		
Origination and reversal of timing differences	(1,851)	(14,892)
Total deferred tax (Note 19)	<u>(1,851)</u>	<u>(14,892)</u>
	<u><u>(9,938)</u></u>	<u><u>(183,690)</u></u>

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 (30%). The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>242,886</u>	<u>67,050</u>

Notes to the financial statements

For the year ended 31 January 2007

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	72,866	20,115
Effects of		
Expenses not deductible for tax purposes	48,536	75,747
Movements in deferred tax	1,851	14,892
Adjustment to tax charge in respect of previous periods	(8,087)	(168,798)
Group relief claimed	(123,253)	(110,754)
Current tax charge for the year	(8,087)	(168,798)

As at 31 January 2007, tax losses of £47,000 (2006 £47,000) are available, subject to agreement with the Inland Revenue, to carry forward within the Land's End and John O'Groats businesses

The adjustment to the tax charge in respect of previous periods relates to a provision made in 2004 which was not deemed to be required in 2006 and which has resulted in more group relief being available

c) Factors affecting future tax charges

The Finance Act 2007 included changes which will affect future tax charges. The main change which will affect the company is a reduction in the rate of Corporation Tax from 30% to 28% from 1 April 2008. The change in tax rates will affect future cashflows by reducing the amount of Corporation Tax payable on profits accruing from 1 April 2008, the amount of deferred tax recognised in the balance sheet and the tax on potential chargeable gains should properties be sold for the amount at which they are stated in the accounts. The effects on deferred tax, both recognised and unrecognised will be included in the accounts for the year ended 31 January 2008 as this will be the first accounting date following the issue of the Finance Act 2007.

Notes to the financial statements

For the year ended 31 January 2007

10. Tangible fixed assets (As re-stated)

	<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 2006 (as re-stated)	10,476,561	1,600,000	1,874,770	181,106	1,901,008	16,033,445
Additions	22,779	94,583	192,550	-	20,035	329,947
Disposals	-	-	(25,000)	-	-	(25,000)
Transferred to properties held for sale	(82,000)	-	(31,847)	-	(24,919)	(138,766)
At 31 January 2007	10,417,340	1,694,583	2,010,473	181,106	1,896,124	16,199,626
Depreciation						
At 1 February 2006 (as Re-stated)	1,298,599	301,333	968,763	108,001	1,532,115	4,208,811
Charge for the year	184,531	31,064	191,967	3,025	80,003	490,590
Disposals	-	-	(7,500)	-	-	(7,500)
Transferred to Properties held for sale	(58,167)	-	(9,263)	-	(14,639)	(82,069)
At 31 January 2007	1,424,963	332,397	1,143,967	111,026	1,597,479	4,609,832
Net book value						
At 31 January 2007	8,992,377	1,362,186	866,506	70,080	298,645	11,589,794
At 1 February 2006 (as re-stated)	9,177,962	1,298,667	906,007	73,105	368,893	11,824,634

During the year there was a re-assessment of the categorisation of fixed assets. This resulted in a change in the categorisation of various fixed assets. This had no impact on the results or the financial position of the Company as at 31 January 2006.

Fixed assets with a net book value of £248,792 (2006: £251,808) which are held under finance leases are included above. The net book value of land and buildings comprises

	2007 £	2006 £
Freehold	8,983,775	9,096,926
Long leasehold	8,602	81,036
	<u>8,992,377</u>	<u>9,177,962</u>

Notes to the financial statements

For the year ended 31 January 2007

11. Intangible fixed assets

	<i>Goodwill</i> £
Cost	
At 1 February 2006 and 31 January 2007	275,262
Amortisation	
At 1 February 2006	91,754
Amortised in the year	13,762
At 31 January 2007	105,516
Net book value	
At 31 January 2007	169,746
At 31 January 2006	183,509

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

12. Fixed asset investments

	£
At 1 February 2006 and 31 January 2007	4

Fixed asset investments represent £2 ordinary shares in each of two subsidiary undertakings and comprise the whole of the issued ordinary share capital of the following companies which are registered in England and Wales

Land's End Limited	-	Dormant
John O'Groats Limited	-	Dormant

13. Properties held for sale

	2007 £	2006 £
Properties held for sale	56,698	-

Properties held for sale represent the net book value of assets pertaining to the Bugle Inn which was disposed of on 16th February 2007

Notes to the financial statements

For the year ended 31 January 2007

14. Stocks

	2007 £	2006 £
Finished goods and goods for resale	276,080	311,275
Raw materials and spares	161,205	135,791
Catering and bar stocks	51,225	51,902
	<u>488,510</u>	<u>498,968</u>

15. Debtors

	2007 £	2006 £
Trade debtors	46,532	887
Other debtors	37,072	7,337
Prepayments and accrued income	266,679	235,558
Amounts due from parent company	5,170,083	4,175,470
	<u>5,520,366</u>	<u>4,419,252</u>

16. Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	447,943	392,969
Bank overdraft - secured	1,759,649	1,204,542
Other taxation and Social Security	60,778	55,347
Other creditors	23,854	21,921
Accruals and deferred income	57,057	88,620
Obligations under finance leases and HP contracts	100,626	67,378
	<u>2,449,907</u>	<u>1,830,777</u>

The company has provided a cross-guarantee to the company's bankers in respect of the group's overdraft and borrowing facilities. This guarantee is supported by a fixed and floating charge over the company's assets.

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

	2007 £	2006 £
Obligations under finance leases and HP contracts	72,790	40,761
Amounts due to other group undertakings	5,569,030	5,569,030
	<u>5,641,820</u>	<u>5,609,791</u>

Notes to the financial statements

For the year ended 31 January 2007

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

Obligations under finance leases and HP contracts

	2007	2006
	£	£
Amounts payable		
Within one year	113,708	77,231
In two to five years	81,660	46,761
	<u>195,368</u>	<u>123,992</u>
Less finance charges allocated to future periods	(21,952)	(15,853)
	<u>173,416</u>	<u>108,139</u>

Finance leases and HP contracts are analysed as follows

	2007	2006
	£	£
Current obligations (note 16)	100,626	67,378
Non-current obligations (note 17)	72,790	40,761
	<u>173,416</u>	<u>108,139</u>

18. Accruals and deferred income

	£
Grant received from Welsh Tourist Board	
At 1 February 2006	89,011
Released in the year	(10,000)
	<u>79,011</u>
At 31 January 2007	<u>79,011</u>

Notes to the financial statements

For the year ended 31 January 2007

19. Provisions for liabilities and charges

	2007 £	2006 £
At 1 February	486,091	500,983
Released in the year	(1,851)	(14,892)
At 31 January 2007	484,240	486,091

The amounts provided for deferred taxation

	2007 £	2006 £
Differences between accumulated depreciation and capital allowances	498,554	500,405
Other timing differences	(14,314)	(14,314)
	484,240	486,091

20. Share capital

	2007 £	2006 £
Authorised 9,999,900 ordinary shares of £1 each	9,999,900	9,999,900
Allotted, called up and fully paid 8,221,502 ordinary shares of £1 each	8,221,502	8,221,502

21. Profit and loss account

	£
At 1 February 2006	139,355
Retained profit for the year	264,424
Actuarial profit on pension scheme	121,300
At 31 January 2007	525,079

Notes to the financial statements

For the year ended 31 January 2007

22. Reconciliation of movements in equity shareholders' funds

	2007 £	2006 £
Profit for the financial year	264,424	250,740
Actuarial gain/(loss) on pension scheme	121,300	(154,700)
Net addition/(reduction) to shareholders funds	385,724	96,040
Opening equity shareholders' funds	8,360,857	8,264,817
Closing equity shareholders' funds	8,746,581	8,360,857

23. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	55,000	13,816	-	8,044
In two to five years	-	19,306	-	20,797
Over five years	-	-	55,000	-
	55,000	33,122	55,000	28,841

24. Contingent liabilities

The company has provided a cross-guarantee in respect of all other Group companies' bank facilities. The net position of the Group on 31 January 2007 amounted to £322,134 (2006 (£373,446)).

25. Related party transactions

There are no significant related party transactions. The directors have taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with other members of the Heritage Great Britain PLC group on the grounds that these are eliminated on consolidation.

26. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Heritage Great Britain PLC which is registered in England and Wales. Copies of Heritage Great Britain PLC accounts are available from its registered office, Suite 37, The Colonnades, Albert Dock, Liverpool L3 4AA. 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.

Notes to the financial statements

For the year ended 31 January 2007

27. 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 minimum funding requirements as advised by the Scheme actuaries. The Scheme is now closed to new members and under the projected unit method the current service cost to the company will increase as the members of the Scheme approach retirement.

The most recent valuation was at 5 April 2005. The current contribution rate as determined by the actuary is 4% (2005: 4%) of total pensionable pay.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation and updated by the actuary at 31 January 2006 using the following assumptions:

	2007	2006	2005	2004
Rate of increase in salaries	6.40%	6.10%	6.00%	6.00%
Rate of increase in pensions in payment for service from and including 6 April 1997	3.10%	2.90%	2.90%	2.90%
Discount rate	5.30%	4.70%	5.30%	5.6%
Inflation rate	3.40%	3.10%	3.00%	3.00%
Rate of increase of deferred pensions in excess of GMP	3.40%	3.10%	3.00%	3.00%

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 Zurich, an Investment Account with Sterling and a bank account held by the Trustee. The value of assets held in the with-profits fund has been taken as the policy value on 31 January 2007, which broadly represents the policy's share of assets in the with-profits fund. 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 2007. The value of the other assets is the value held with the provider. The value shown is not the value that would have been available to provide contractual benefits nor is it necessarily the value that would be available were the policy to be surrendered.

Notes to the financial statements

For the year ended 31 January 2007

27. Pension scheme (continued)

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

	Long term rate of return expected at 31 Jan 2007	Value at 31 Jan 2007 £	Long term rate of return expected at 31 Jan 2006	Value at 31 Jan 2006 £	Long term rate of return expected at 31 Jan 2005	Value at 31 Jan 2005 £
With Profits Fund -- Equitable Life	5.0%	221,700	4.3%	219,200	4.9%	247,900
Unit Linked Money fund -- Equitable Life	4.8%	34,000	4.0%	32,700	4.3%	31,300
Trustees bank account	5.3%	1,800	4.5%	1,700	4.8%	12,500
Trustee Investment Plan -- Zurich Assurance	6.7%	92,200	5.9%	82,500	6.4%	60,100
Investment Account -- Sterling	6.8%	68,000	6.1%	28,000	6.6%	7,900
Total Market Value of Investments		417,700		364,100		359,700
Actuarial Valuation of Liabilities		874,100		953,400		787,900
Deficit in the scheme		(456,400)		(589,300)		(428,200)

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

Analysis of amounts charged to operating profit	2007 £	2006 £
Current service cost	-	-
Past service cost	-	-
Losses/(gains) on settlements or curtailments	-	-
Total operating charge	-	-
Analysis of amounts credited to other finance costs	2007 £	2006 £
Expected return on pension scheme assets	18,000	17,100
Interest on pension scheme liabilities	(44,500)	(40,800)
Net cost	(26,500)	(23,700)

Notes to the financial statements

For the year ended 31 January 2007

27. Pension scheme (continued)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	2007 £	2006 £
Actual return less expected return on pension scheme assets	5,600	15,300
Experience gains and losses arising on the scheme liabilities	5,800	(6,300)
Changes in assumptions underlying the present value of the scheme liabilities	109,900	(163,700)
Actuarial gain/(loss) recognised in STRGL	121,300	(62,900)
Movement in surplus/(deficit) during the year	2007 £	2006 £
Deficit in the scheme at the beginning of the year	(589,300)	(428,200)
Movement in the year		
- Current service cost	-	-
- Employers contributions	38,100	17,300
- Other finance costs	(26,500)	(23,300)
- Actuarial gain/ (loss)	121,300	(154,700)
Deficit in the scheme at the end of the year	(456,400)	(589,300)

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. Accordingly the company has agreed with the Trustee to increase contributions to £45,000 per annum for the next three years.

History of experience gains and losses

	2007	2006	2005	2004
Difference between the expected and actual return on scheme assets				
- amount	£5,600	£15,300	£9,400	£3,200
- percentage of scheme assets	1.3%	4.2%	2.6%	1.0%
Experience gains and losses on scheme liabilities				
- amount	(£5,800)	(£6,300)	(£7,500)	(£35,600)
- percentage of the present value of scheme liabilities	(0.7%)	(0.7%)	(1.0%)	(5.2%)
Total amount recognised in STRGL				
- amount	£121,300	(£154,700)	(£62,900)	(£76,300)
- percentage of the present value of scheme liabilities	13.9%	(16.2%)	(8.0%)	(11.2%)