

Registered number
03741747

Heritage Attractions Limited
Report and Financial Statements
31 January 2020



Heritage Attractions Limited
Report and accounts
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Heritage Attractions Limited
Company Information

Directors

A J S Leech
P M Johnson-Treherne

Secretaries

G Johnson
P M Johnson-Treherne

Auditor

RSM UK Audit LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Bankers

Santander UK PLC
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Napthens LLP
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

Registered office

5th Floor
88 Church Street
Liverpool
L1 3HD

Registered number

03741747

Heritage Attractions Limited
Strategic report
for the year ended 31 January 2020

Principal activities

The principal activity of the company is the operation of landmark day visitor attractions in the United Kingdom. The profit for the year, after taxation, amounted to £2,319,002 (2019: £1,835,505). There was a dividend payable in the year of £2,000,000 (2019: £1,000,000).

Business model

Heritage Attractions 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. On the Isle of Wight, The Needles Park welcomes visitors to the 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 attractions' 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 improve overall profitability of the asset.

Continued acquisitions - Continued interest in available visitor attractions within the tourism market where visitor numbers exceed 100,000 pa.

Business review and results

The results for the year are set out on page 9.

Overall operating profit has increased by £410,450 compared to prior year.

The Directors are pleased with the year end net asset position of £13,556,420 (2019:£13,237,418).

As a result of the Covid-19 pandemic and related national lockdown imposed by the UK Government, all sites 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's parent 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.

Heritage Attractions Limited
Strategic report (continued)
for the year ended 31 January 2020

Key performance indicators

The directors consider visitor numbers and spend per head to be key performance indicators.

Land's End - increase in visitor numbers of 5.4% compared to prior year, and an increase in spend per head of 0.45% compared to prior year.

Snowdon Mountain Railway - an increase in visitor numbers of 4.83% compared to prior year, and a increase in spend per head of 5.92% compared to prior year

Needles Park - increase in visitor numbers of 1.07% compared to prior year, and an increase in spend per head of 5.92% compared to prior year.

Sandham Gardens - increase in visitors numbers of 171.17% compared to prior year, and an increase in spend per head of 51.19% compared to prior year.

Overall there was a increase in visitor numbers of 6.32% and an increase in spend per head of 7.43%. 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 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 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 company's operating activities. The company does not trade in financial instruments and has no other form of derivatives.

All of the company's transactions are predominantly in sterling. The company 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 company has made arrangements to manage all aspects of health and safety in all areas and across all sites owned or managed by the company. Included in these arrangements will be methods to monitor and review their effectiveness.

Heritage Attractions Limited
Strategic report (continued)
for the year ended 31 January 2020

Future developments

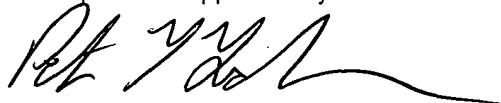
Following significant investment in 2019, the company has confirmed its plans to maintain strong reinvestment in its existing portfolio during 2020 and beyond. Over the coming years, the company could see over £5 million of investment in capital expenditure and within 2020 will welcome two new hybrid 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.

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.

After the lifting of Coronavirus restrictions in early July 2020, the return of footfall to all 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 on its behalf.



P M Johnson-Treherne
Director

Heritage Attractions Limited
Directors' report
for the year ended 31 January 2020

The directors present their report and financial statements for the year ended 31 January 2020.

Directors and their interests

The following persons served as directors during the year:

A J S Leech
P M Johnson-Treherne

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.

Results and dividends:

The results for the year are set out on page 9. Dividends of £2,000,000 (2019:£1,000,000) were payable.

Disclosure of information to auditors

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.


G Johnson
Company Secretary

Registered Office
5th Floor
88 Church Street
Liverpool
L1 3HD

Heritage Attractions Limited
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 company and of the profit or loss of the company 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 company will continue in business.

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

Independent auditors' report to the members of Heritage Attractions Limited

Opinion

We have audited the financial statements of Heritage Attractions Limited for the year ended 31 January 2020, which comprise Profit and loss account, Balance sheet, Statement of changes in equity 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 company's affairs as at 31 January 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 company'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.

Opinion 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 have been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of Heritage Attractions Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 6, 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 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 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

Heritage Attractions Limited
Profit and loss account
for the year ended 31 January 2020

	Notes	2020 £	2019 £
Turnover	2	16,633,693	14,831,506
Cost of sales		(4,250,964)	(3,817,039)
Gross profit		12,382,729	11,014,467
Administrative expenses		(9,944,997)	(8,987,234)
Other operating income		68,398	68,447
Operating profit	3	2,506,130	2,095,680
Interest receivable		14	-
Interest payable	5	-	(33,580)
Profit on ordinary activities before taxation		2,506,144	2,062,100
Tax on profit on ordinary activities	6	(187,142)	(226,595)
Profit for the financial year		2,319,002	1,835,505

The company has no recognised gains and losses other than the results above and therefore no separate statement of comprehensive income has been presented.

Heritage Attractions Limited
Balance sheet
as at 31 January 2020

Registered number
03741747

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	7	13,134,507	11,501,307
Investments	8	4	4
		<u>13,134,511</u>	<u>11,501,311</u>
Current assets			
Stocks	9	668,574	738,838
Debtors	10	7,131,449	8,019,074
Cash at bank and in hand		434,699	769,901
		<u>8,234,722</u>	<u>9,527,813</u>
Creditors: amounts falling due within one year	11	(1,619,456)	(1,788,558)
Net current assets		<u>6,615,266</u>	<u>7,739,255</u>
Total assets less current liabilities		<u>19,749,777</u>	<u>19,240,566</u>
Creditors: amounts falling due after more than one year	12	(5,579,030)	(5,579,030)
Provisions for liabilities			
Deferred taxation	13	(614,327)	(424,118)
Net assets		<u>13,556,420</u>	<u>13,237,418</u>
Capital and reserves			
Called up share capital	14	8,221,502	8,221,502
Profit and loss account	15	5,334,918	5,015,916
Total equity		<u>13,556,420</u>	<u>13,237,418</u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 and are signed by its behalf by:



P M Johnson-Treherne
Director

Heritage Attractions Limited
Statement of changes in equity
for the year ended 31 January 2020

	Share capital	Profit and loss account	Total
	£	£	£
At 1 February 2018	8,221,502	4,180,411	12,401,913
Profit for the financial year	-	1,835,505	1,835,505
Dividends	-	(1,000,000)	(1,000,000)
At 31 January 2019	<u>8,221,502</u>	<u>5,015,916</u>	<u>13,237,418</u>
At 1 February 2019	8,221,502	5,015,916	13,237,418
Profit for the financial year	-	2,319,002	2,319,002
Dividends	-	(2,000,000)	(2,000,000)
At 31 January 2020	<u>8,221,502</u>	<u>5,334,918</u>	<u>13,556,420</u>

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

1 Summary of significant accounting policies

Basis of preparation

The 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 on the Companies Act 2006.

The Company's immediate parent undertaking, Heritage Great Britain PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Heritage Great Britain PLC are available to the public and may be obtained from the address specified in note 23.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- 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.
- Basic financial instruments at carrying amount measured at amortised cost less impairment.

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

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

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.

Other Income

Rental Income

Rental income on property is recognised on a straightline basis over the lease term and is presented within other operating income.

Intangible fixed assets

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Goodwill 10 years

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets under construction, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2%
Computer equipment	10% - 33%
Motor Vehicles	5% - 25%
Plant and machinery	5% - 12.5%
Fixtures, fittings, tools and equipment	12.5%

Freehold land and assets under construction are 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.

Investment property

Investment property is initially recognised at cost and then subsequently measured at fair value. Changes in value are recognised in profit or loss.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the 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 company 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 company is 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 company's parent company has chosen to draw down on additional facilities to increase its cashflow headroom to further demonstrate its prudent approach to working capital management. The company's parent company has included within its scenario planning the possibility of further lockdowns which prevent trading.

Material uncertainty

The bank provides the company's parent company with a loan totalling £3,091,667 at 31 January 2020 repayable over the next 8 years and 10 months. Although the parent company's bankers have stated that it intends to support the Group through the next 12 months, it cannot specifically grant waivers of the parent company's forecasted breaches of the covenants over the entire 12 month period. The company's parent company 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. The company's cash is managed on a group basis so any material uncertainty at Group level will impact the company.

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 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.

Investments

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.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

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 leases

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 leases

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.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

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.

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 £128,819 (2019: £122,106).

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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

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 any accounting estimates or judgements to be critical.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

2 Analysis of turnover	2020	2019
	£	£
By activity:		
Attractions and admissions	7,497,497	6,342,551
Retail	3,924,426	3,647,014
Catering, hotel and bar	4,993,160	4,714,613
Other revenues	218,610	127,328
	<u>16,633,693</u>	<u>14,831,506</u>
All turnover is derived in the UK		
3 Operating profit	2020	2019
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	692,604	588,953
Operating lease rentals - plant and machinery	22,369	25,164
Loss on disposal of fixed asset	-	1,961
Carrying amount of stock sold	<u>4,250,964</u>	<u>3,817,039</u>
Auditors fees and tax services are met by the parent company.		
4 Staff costs	2020	2019
	£	£
Wages and salaries	5,283,981	4,844,530
Social security costs	372,483	339,336
Other pension costs	128,819	122,106
	<u>5,785,283</u>	<u>5,305,972</u>
Average number of employees during the year (head count) was:	Number	Number
Administration	23	29
Sales	<u>310</u>	<u>293</u>
	<u>333</u>	<u>322</u>
Average number of employees during the year (full time equivalent) was:	Number	Number
Administration	23	29
Sales	<u>228</u>	<u>199</u>
	<u>251</u>	<u>228</u>
Directors remuneration is met by the parent company.		
5 Interest payable	2020	2019
	£	£
Other interest	-	25,008
Finance charges payable under finance leases and hire purchase contracts	<u>-</u>	<u>8,572</u>
	<u>-</u>	<u>33,580</u>

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

6 Taxation	2020 £	2019 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	104,061	201,349
Adjustments in respect of previous periods	(107,128)	(652)
	<u>(3,067)</u>	<u>200,697</u>
Deferred tax:		
Origination and reversal of timing differences	190,209	25,898
	<u>190,209</u>	<u>25,898</u>
 Tax on profit on ordinary activities	 <u>187,142</u>	 <u>226,595</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2020 £	2019 £
Profit for the year	2,319,002	1,835,505
Total tax expense	187,142	226,595
 Profit excluding taxation	 <u>2,506,144</u>	 <u>2,062,100</u>
 Standard rate of corporation tax in the UK	 19.00%	 19.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	476,167	391,799
Effects of:		
Expenses not deductible for tax purposes	4,699	1,246
Fixed asset differences	294,531	58,605
Group relief claimed	(195,316)	(220,805)
Adjust closing deferred tax to average rate	(72,274)	(49,896)
Adjust opening deferred tax to average rate	22,166	46,791
Deferred tax not recognised	(235,703)	(493)
Adjustments to tax charge in respect of previous periods	(107,128)	(652)
Total tax charge for period	<u>187,142</u>	<u>226,595</u>

Factors that may affect future tax charges

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.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

7 Tangible fixed assets

	Railway line and rolling stock £	Freehold Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets Under Construction	Total £
Cost							
At 31 January 2019	3,507,601	10,784,806	3,463,662	162,336	3,334,305	664,640	21,917,350
Additions	-	291,822	948,523	-	345,459	740,000	2,325,804
Reclassification	-	128,287	384,308	-	152,045	(664,640)	-
At 31 January 2020	<u>3,507,601</u>	<u>11,204,915</u>	<u>4,796,493</u>	<u>162,336</u>	<u>3,831,809</u>	<u>740,000</u>	<u>24,243,154</u>
Depreciation							
At 31 January 2019	906,169	3,911,212	2,658,815	122,568	2,817,279	-	10,416,043
Charge for the year	65,323	229,216	245,040	6,536	146,489	-	692,604
At 31 January 2020	<u>971,492</u>	<u>4,140,428</u>	<u>2,903,855</u>	<u>129,104</u>	<u>2,963,768</u>	<u>-</u>	<u>11,108,647</u>
Net book value							
At 31 January 2020	<u>2,536,109</u>	<u>7,064,487</u>	<u>1,892,638</u>	<u>33,232</u>	<u>868,041</u>	<u>740,000</u>	<u>13,134,507</u>
At 31 January 2019	<u>2,601,432</u>	<u>6,873,594</u>	<u>804,847</u>	<u>39,768</u>	<u>517,026</u>	<u>664,640</u>	<u>11,501,307</u>

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2020

8 Investments	2020	2019
	£	£
Shares in subsidiary undertakings	<u>4</u>	<u>4</u>
	Principal activity	Class and percentage of shares held
Land's End Limited	Dormant	100% ordinary
John O'Groats Limited	Dormant	100% ordinary
Registered office of above undertakings: 5th Floor 88 Church Street Liverpool L1 3HD		
9 Stocks	2020	2019
	£	£
Raw materials and consumables	224,307	242,457
Work in progress	33,261	53,705
Finished goods and goods for resale	<u>411,006</u>	<u>442,676</u>
	<u>668,574</u>	<u>738,838</u>
10 Debtors	2020	2019
	£	£
Trade debtors	30,054	15,517
Amounts owed by group undertakings	6,679,562	7,676,271
Other debtors	159,848	66,938
Prepayments and accrued income	<u>261,985</u>	<u>260,348</u>
	<u>7,131,449</u>	<u>8,019,074</u>
11 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	488,181	558,548
Amounts owed to group undertakings and undertakings in which the company has a participating interest	150,958	261,941
Corporation tax	-	91,349
Other taxes and social security costs	65,547	61,029
Other creditors	26,611	35,592
Accruals and deferred income	<u>888,159</u>	<u>780,099</u>
	<u>1,619,456</u>	<u>1,788,558</u>
12 Creditors: amounts falling due after one year	2020	2019
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>5,579,030</u>	<u>5,579,030</u>

The amounts owed to group undertakings has no fixed repayment date but the directors of Heritage Great Britain plc have confirmed the balance will not be payable in the next twelve months.

Heritage Attractions Limited
Notes to the Accounts
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13 Deferred taxation	2020 £	2019 £
Accelerated capital allowances	614,327	424,118
	2020 £	2019 £
At 1 February	424,118	398,220
Deferred tax credit in profit and loss account	190,209	25,898
At 31 January	614,327	424,118

The amount of the net reversal of deferred tax expected to occur next year is £190,209 (2019: 25,898), relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on tangible fixed assets.

14 Share capital	Nominal value	2020 Number	2020 £	2019 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	8,221,502	8,221,502	8,221,502

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

15 Profit and loss account	
Cumulative profit and loss net of distributions to owners.	

16 Dividends	2020 £	2019 £
Dividends on ordinary shares	2,000,000	1,000,000

A dividend of 24.33 pence per ordinary share was payable in the year (2019: 12.16 pence)

17 Other financial commitments

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

	Other 2020 £	Other 2019 £
Falling due:		
within one year	7,300	18,260
within two to five years	5,048	4,931
	12,348	23,191

18 Contingent liabilities

The company has provided a cross-guarantee to the Companies' bankers in respect of all group company's overdraft and borrowing facilities. If other Companies in the Group were to default on their overdraft arrangements then Heritage Attractions Limited would be liable for any outstanding liabilities. The net overdrafts for other Group Companies at the year end amounted to £nil (2019:£nil).

19 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: 5th Floor, 88 Church Street, Liverpool, L1 3HD. 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 FRS102 Section 33, over that company.

Heritage Attractions Limited
Notes to the Accounts
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20 Capital commitments and other contractual obligations

	2020 £	2019 £
Commitment for the acquisition of locomotives	300,000	-
Commitment for the acquisition of passenger pods	40,000	-
Commitment for the acquisition of new toilet block	46,300	-
	<u>386,300</u>	<u>-</u>

21 Presentation currency

The financial statements are presented in Sterling.

22 Legal form of entity and country of incorporation

Heritage Attractions Limited is a private company limited by shares, incorporated in England.

23 Principal place of business

The address of the company's registered office is:

5th Floor
88 Church Street
Liverpool
L1 3HD

The addresses of the company's principal place of business are:

Land's End	Snowdon Mountain Railway
Sennen	Llanberis
Penzance	Caernarfon
Cornwall	Gwynedd
TR19 7AA	LL55 4TY

The Needles Park	The First & Last Inn
Alum Bay	Sennen
Isle of Wight	Penzance
PO39 0JD	Cornwall
	TR19 7AD

RLB 360	Sandham Gardens
Royal Liver Building	Sandown Bay
Pier Head	Culver Parade
Liverpool	Sandown
L3 1HU	Isle of Wight
	PO36 8AT

24 Post balance sheet events

As a result of the Covid-19 pandemic and related national lockdown imposed by the UK Government, all sites 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.

In addition, the Company 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.