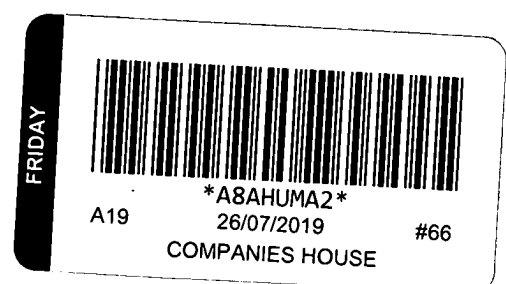


Registered number: 05346727

ATTRACTION WORLD LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018



ATTRACTION WORLD LIMITED

COMPANY INFORMATION

Directors

P R Stobbs
S Applebaum
P J Cripps (resigned 31 January 2018)
L J Poole (appointed 27 March 2018)

Registered number

05346727

Registered office

3 & 4 Regal Court
6 Sovereign Road
Kings Norton Business Centre
Birmingham
B30 3FJ

Independent auditor

PKF Cooper Parry Group Limited
Chartered Accountants & Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

ATTRACTION WORLD LIMITED

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ATTRACTION WORLD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

Principal activities

The principal activity of the Company during the year was the sale of attraction tickets.

Business review

Turnover for the year under review was £75,523,579 being an increase of 2.6% compared to the prior year. Gross Profit margins remained broadly in line with the prior year at 10.1% (2017: 10.6%).

This solid performance at a gross margin level was delivered in a year where the Directors' restructured the Company and terminated foreign exchange contracts that resulted in one-off exceptional costs (included within administration costs) of £223,488 and £648,520 respectively.

Given the economic climate, political uncertainty and volatile exchange rates the Directors are pleased with the results and the on going future administrative savings the restructure will deliver. This will enable the Company to invest in improved technology and remain competitive within the market.

The Company's overall finance position has strengthened with net assets increasing from £3,238,928 to £5,104,268. Cash balances have reduced marginally from £3,509,339 to £3,347,681 due to the restructuring costs and foreign exchange contracts offsetting the underlying profits (excluding movements on financial instruments).

The outlook for 2019 is positive as the full benefit of the restructure will be realised. The Directors' are expecting to see further revenue growth and cash generation.

Financial key performance indicators

The Company's key performance indicators are net profit, operating profit which are set out in the statement of comprehensive income and earnings before interest, tax, depreciation, amortisation, derivatives and exceptionals (adjusted EBITDA) shown below:

	FY18	FY17
	£	£
Profit/(loss) before tax	2,059,538	(1,832,184)
Interest	10,203	(412)
Depreciation	41,879	37,598
Amortisation	40,038	47,133
EBITDA	2,151,658	(1,747,865)
Derivatives	(1,461,593)	6,228,858
Restructuring costs (included with admin costs)	223,488	-
Loss/(gain) on disposal of derivative financial instruments	648,520	(2,858,318)
'Adjusted' EBITDA	1,562,073	1,622,675

ATTRACTION WORLD LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

Principal risks and uncertainties

The principal risks and uncertainties facing the company include:

Foreign currency risk

The company purchases product in different currencies and movement in currency rates can affect the purchase cost; this is mitigated by entering into forward foreign exchange contracts.

Competitive pressure on pricing

With high levels of service offered and strong relationships with key customers this risk is mitigated.

Liquidity risk

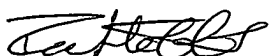
The company seeks to manage financial risk sufficient liquidity is available to meet foreseeable needs and invest cash assets safely and profitably.

Credit risk

The company's principal financial assets are bank deposits, cash and trade debtors.

The principal credit risk arises from the company's trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history.

This report was approved by the board and signed on its behalf.



P R Stobbs
Director

Date: 9 April 2019

ATTRACTION WORLD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting 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 to 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.

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 and other information included in directors' reports may differ from legislation in other jurisdictions.

Directors

The directors who served during the year are noted on the company information page.

Results and dividends

The profit for the year, after taxation, amounted to £1,865,340 (2017: loss £1,314,140).

The directors have not declared a dividend for the year (2017: £Nil).

Principal activity

The principal activity of the company is the sale of attraction tickets.

ATTRACTION WORLD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

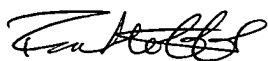
Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On 25 October 2018 Grant Thornton LLP resigned as the company's auditors. PKF Cooper Parry Group Limited were appointed to fill the resulting vacancy. PKF Cooper Parry Group Limited have expressed their willingness to continue in office as auditors and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



P R Stobbs
Director

Date: 9 April 2019

ATTRACTION WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATTRACTION WORLD LIMITED

Opinion

We have audited the financial statements of Attraction World Limited (the 'company') for the year ended 31 October 2018, which comprise the profit and loss account, the statement of changes in equity, the balance sheet and the related notes, 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 Financial Reporting Standard 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 October 2018 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ATTRACTION WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATTRACTION WORLD LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 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, 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.

ATTRACTION WORLD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATTRACTION WORLD LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, 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: 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.

PKF Cooper Parry Group Limited

Katharine Warrington (Senior Statutory Auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 16/04/19

ATTRACTION WORLD LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 £	2017 £
Turnover	3	75,523,579	73,642,262
Cost of sales		(67,897,192)	(65,820,984)
Gross profit		<u>7,626,387</u>	<u>7,821,278</u>
Administrative Expenses		(6,146,231)	(6,283,334)
Exceptional administrative expenses	12	(223,488)	-
Total administrative expenses		<u>(6,369,719)</u>	<u>(6,283,334)</u>
Operating profit		1,256,668	1,537,944
<hr/>			
Exceptional administrative expenses		223,488	-
Underlying operating profit		<u>1,480,156</u>	<u>1,537,944</u>
<hr/>			
Interest receivable and similar income	8	3,740	773
Interest payable and similar expenses	9	(13,943)	(361)
Other finance income	10	813,073	(3,370,540)
		<u>2,059,538</u>	<u>(1,832,184)</u>
Profit/(loss) before tax	11	(194,198)	518,044
Tax on profit/(loss)		<u>1,865,340</u>	<u>(1,314,140)</u>
Profit/(loss) for the financial year		<u><u>1,671,142</u></u>	<u><u>(816,096)</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account.

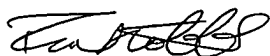
The notes on pages 11 to 25 form part of these financial statements.

ATTRACTION WORLD LIMITED
REGISTERED NUMBER: 05346727

BALANCE SHEET
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible fixed assets	13	166,851	178,146
Tangible fixed assets	14	130,733	168,297
		<u>297,584</u>	<u>346,443</u>
Current assets			
Stocks	15	2,838,281	3,285,687
Debtors: amounts falling due after more than one year	16	39,962	882,793
Debtors: amounts falling due within one year	16	6,796,831	4,026,197
Cash at bank and in hand		3,347,681	3,509,339
		<u>13,022,755</u>	<u>11,704,016</u>
Creditors: amounts falling due within one year	17	<u>(8,088,774)</u>	<u>(8,420,363)</u>
Net current assets		<u>4,933,981</u>	<u>3,283,653</u>
Total assets less current liabilities		<u>5,231,565</u>	<u>3,630,096</u>
Creditors: amounts falling due after more than one year	18	-	(56,998)
Provisions for liabilities			
Deferred tax	19	(127,297)	(334,170)
Net assets		<u><u>5,104,268</u></u>	<u><u>3,238,928</u></u>
Capital and reserves			
Called up share capital	20	311	311
Profit and loss account		5,103,957	3,238,617
		<u><u>5,104,268</u></u>	<u><u>3,238,928</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P R Stobbs
Director



L J Poole
Director

Date: 9 April 2019

The notes on pages 11 to 25 form part of these financial statements.

ATTRACTION WORLD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2016	311	4,552,757	4,553,068
Comprehensive income for the year			
Loss for the year	-	(1,314,140)	(1,314,140)
At 1 November 2017	311	3,238,617	3,238,928
Comprehensive income for the year			
Profit for the year	-	1,865,340	1,865,340
At 31 October 2018	311	5,103,957	5,104,268

The notes on pages 11 to 25 form part of these financial statements.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies

Attraction World Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 October 2018 (2017: 31 October 2017).

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in applying the company's accounting policies (See note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Attraction World Holdings Limited as at 31 October 2018 and these financial statements may be obtained from 3 & 4 Regal Court, 6 Sovereign Road, Kings Norton Business Centre, Birmingham, B30 3FJ.

1.3 Going concern

The directors have prepared a business plan including forecasts extending to October 2022 and are satisfied that the company has adequate resources to fund its day to day requirements, growth and strategic objectives for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life of ten years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided on the following basis:

Development costs	-	25% straight line
Software	-	25% straight line

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the directors.

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	25% straight line basis
Fixtures and fittings	-	10% straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the directors review the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.8 Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's 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 balance sheet date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.10 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. Accounting policies (continued)

1.12 Current and deferred taxation

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors makes estimates and assumptions concerning the future. They are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Derivative financial instrument valuation

Forward contracts are used to minimise the impact of foreign exchange fluctuations on the company. An asset or liability is recognised representing the fair value of the instruments in place at the year end. The fair value included is calculated using financial validation models by reference to the fixed forward currency rate and the rate prevailing at the year end date. Changes in the fair value of the instruments are recognised in the profit and loss account. The directors have chosen to include the fair value movement within finance costs in the profit and loss account as they consider the movement to be financing in nature and the derivatives are taken out in order to manage the cash flows of the business. FRS 102 is not prescribing in terms of the categorisation of the fair value movement within the profit and loss account.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and project disposal values.

Impairment of non-current assets

The directors assess the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Carrying value of stocks

Management review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Judgements in applying accounting policies (continued)

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due, after taking appropriate professional advice.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	74,794,801	73,474,780
Rest of Europe	15,961	14,789
Rest of the world	712,817	152,693
	<u>75,523,579</u>	<u>73,642,262</u>

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

4. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	41,879	37,598
(Profit)/loss on disposal of tangible fixed assets	(683)	1,555
Amortisation of intangible assets, including goodwill	40,038	47,133
Loss on disposal of intangible fixed assets	-	2,839
Exchange differences	(576,873)	(525,690)
Land and building operating lease rentals	61,620	81,500
Other operating lease rentals	55,028	70,073
Defined contribution pension cost	37,203	30,763
	<u> </u>	<u> </u>

5. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	13,000	12,950
Accounts preparation	500	300
Tax compliance	3,600	3,600
	<u> </u>	<u> </u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	£	£
Wages and salaries	2,091,995	2,503,246
Social security costs	203,015	242,304
Cost of defined contribution scheme	37,203	30,763
	<u> </u>	<u> </u>
	<u>2,332,213</u>	<u>2,776,313</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	No.	No.
Sales and marketing	37	48
Finance and administrative	22	24
	<u> </u>	<u> </u>
	<u>59</u>	<u>72</u>

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

7. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	192,146	447,612
Company contributions to defined contribution pension schemes	11,558	9,339
	<u>203,704</u>	<u>456,951</u>

During the year retirement benefits were accruing to 3 directors (2017: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £95,411 (2017: £187,966).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,156 (2017: £839).

8. Interest receivable

	2018	2017
	£	£
Other interest receivable	<u>3,740</u>	<u>773</u>

9. Interest payable and similar expenses

	2018	2017
	£	£
Bank interest payable	<u>13,943</u>	<u>361</u>

10. Other finance costs

	2018	2017
	£	£
(Loss)/gain on fair value movement of derivative financial instruments	1,461,593	(6,228,858)
(Loss)/gain on disposal of derivative financial instruments	(648,520)	2,858,318
	<u>813,073</u>	<u>(3,370,540)</u>

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	144,782
Adjustments in respect of previous periods	401,071	(46,963)
Total current tax	<u>401,071</u>	<u>97,819</u>
Deferred tax		
Origination and reversal of timing differences	(206,873)	(601,118)
Adjustment in respect of prior period	-	(14,745)
Total deferred tax	<u>(206,873)</u>	<u>(615,863)</u>
Taxation on profit/(loss) on ordinary activities	<u>194,198</u>	<u>(518,044)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 -lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.41%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>2,059,538</u>	<u>(1,832,184)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.41%)	391,312	(355,726)
Effects of:		
Expenses not deductible for tax purposes	(2,160)	11,095
Fixed asset differences	3,269	-
Adjustment to brought forward values	-	(175)
Adjustments to tax charge in respect of prior periods	401,071	(61,688)
Additional deduction for R&D expenditure	(75,956)	-
Changes in provisions leading to an increase/(decrease) in the tax charge	-	85,348
Group relief claimed	(35,385)	(196,898)
Deferred tax not recognised	(210,250)	-
Non-taxable income	(277,703)	-
Total tax charge for the year	<u>194,198</u>	<u>(518,044)</u>

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

11. Taxation (continued)

Factors that may affect future tax charges

The main rate of corporation tax will reduce to 18% from 1 April 2020 (a change which was substantively enacted as at 21 July 2015 as part of the Finance Bill 2015).

Deferred tax has been measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet.

12. Exceptional items

Following a review of the most effective ways of working with the Company's strategic partners Attraction World Limited incurred £223,488 in one-off exceptional redundancy and restructuring costs during the year.

13. Intangible assets

	Development costs £	Software £	Goodwill £	Total £
Cost				
At 1 November 2017	65,598	80,194	352,137	497,929
Additions	28,743	-	-	28,743
At 31 October 2018	<u>94,341</u>	<u>80,194</u>	<u>352,137</u>	<u>526,672</u>
Amortisation				
At 1 November 2017	60,331	47,928	211,524	319,783
Charge for the year	9,564	13,268	17,206	40,038
At 31 October 2018	<u>69,895</u>	<u>61,196</u>	<u>228,730</u>	<u>359,821</u>
Net book value				
At 31 October 2018	<u>24,446</u>	<u>18,998</u>	<u>123,407</u>	<u>166,851</u>
At 31 October 2017	<u>5,267</u>	<u>32,266</u>	<u>140,613</u>	<u>178,146</u>

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

14. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 November 2017	122,947	193,065	316,012
Additions	4,040	275	4,315
At 31 October 2018	<u>126,987</u>	<u>193,340</u>	<u>320,327</u>
Depreciation			
At 1 November 2017	51,185	96,530	147,715
Charge for the year	29,316	12,563	41,879
At 31 October 2018	<u>80,501</u>	<u>109,093</u>	<u>189,594</u>
Net book value			
At 31 October 2018	<u>46,486</u>	<u>84,247</u>	<u>130,733</u>
At 31 October 2017	<u>71,762</u>	<u>96,535</u>	<u>168,297</u>

15. Stocks

	2018 £	2017 £
Goods for resale	<u>2,838,281</u>	<u>3,285,687</u>

Stock recognised in cost of sales during the year as an expense was £64,868,216 (2017: 62,376,610).

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

16. Debtors

	2018	2017
	£	£
Due after more than one year		
Amounts owed by group undertakings	-	882,793
Financial instruments (after 1 yr)	39,962	-
	<u>39,962</u>	<u>-</u>
	2018	2017
	£	£
Due within one year		
Trade debtors	1,148,063	1,445,197
Amounts owed by group undertakings	4,078,434	1,558,286
Other debtors	218,501	342,679
Prepayments and accrued income	672,419	680,035
Financial instruments	679,414	-
	<u>6,796,831</u>	<u>4,026,197</u>

Included within trade debtors is a provision against doubtful debts of £65,046 (2017: £47,323).

Amounts owed from group undertakings are repayable on demand.

17. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Payments received on account	4,374,741	4,041,993
Trade creditors	3,114,267	2,905,286
Other taxation and social security	73,692	73,250
Other creditors	6,351	7,103
Accruals and deferred income	519,723	707,512
Financial instruments	-	685,219
	<u>8,088,774</u>	<u>8,420,363</u>

18. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Financial instruments	-	56,998
	<u>-</u>	<u>56,998</u>

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

19. Deferred taxation

	2018 £
At beginning of year	334,170
Charged to profit or loss	206,873
At end of year	<u>127,297</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	17,575	14,099
Derivative financial instruments	109,722	320,071
	<u>127,297</u>	<u>334,170</u>

20. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
3,112 Ordinary shares of £0.10 each	<u>311</u>	<u>311</u>

21. Contingent liabilities

During the year ended 31 October 2016, the company entered into a cross company guarantee in respect of a bank loan held by its parent company, Attraction World Holdings Limited. The outstanding balance of this bank loan at the 31 October 2018 was £950,000 (2017: £1,330,000).

22. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £37,203 (2017: £30,763).

Contributions totaling £6,351 (2017: £7,103) were payable to the scheme at the end of the year and are included in creditors.

ATTRACTION WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

23. Commitments under operating leases

At 31 October 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	152,960	73,828
Later than 1 year and not later than 5 years	139,228	356,416
	<u>292,188</u>	<u>430,244</u>

24. Related party transactions

As a wholly owned subsidiary of Attraction World Holdings Limited, the company is exempt from the requirements of section 33 of FRS 102 to disclose transactions with other members of the wholly owned group.

25. Controlling party

The immediate and ultimate parent company is Attraction World Holdings Limited, a company incorporated in the United Kingdom. The directors consider that Attraction World Limited is under the control of the directors of Attraction World Holdings Limited. The group headed up by Attraction World Holdings Limited, is the largest and smallest group of undertakings for which group accounts which include the company are drawn up and publicly available.

There is no ultimate controlling party of Attraction World Holdings Limited by virtue of the indirect shareholding of the company.