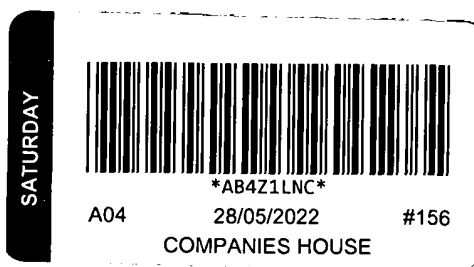


Registered number
03741747

Heritage Attractions Limited
Report and Financial Statements

31 January 2022



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 2022

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 £2,670,240 (2021: £188,873). There was a dividend payable in the year of £3,250,000 (2021: £850,000).

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 welcomes visitors to the famous lighthouse and Needles rocks, whilst Sandham Gardens provides family attractions at the seaside setting of Sandown Bay. Royal Liver Building 360 provides a unique tower tour and visitor experience which has won a number of 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 10.

Overall operating profit has increased by £3,092,851 compared to prior year.

The Directors are pleased with the year end net asset position of £12,315,533 (2021:£12,895,293).

As a result of the Covid-19 pandemic, there were continuing lockdowns and restrictions during the year however the lockdown imposed from January 2021 and then gradually reduced in the Spring of 2021 had less impact than the more prolonged lockdown in 2020. The highest level of restrictions occurred during the first quarter of 2021 when the business activities were predominantly closed for pre-season preparation. Support from the UK government in terms of grants, furlough support and sector-specific VAT reduction mitigated a reasonable proportion of the lost revenue. Having experienced restrictions in 2020, the Directors were acutely aware of the needs to preserve cashflow and refrain from any discretionary spend during the restricted periods. Once the businesses were able to open, the demand was exceptionally strong at most locations due to the staycation effect and pent up demand. There was a shortage of labour in the sector generally which unintentionally reduced payroll costs even with increased volume in key periods.

The company's parent company maintained a high level of cash from facilities drawn down in 2020 and therefore the Directors had confidence in their ability to continue to operate the business even during lockdown periods.

As a result of strong results in 2021 and prudent cash management, the Directors were able to fully repay all Coronavirus Business Interruption Loans in November 2021 along with a significant portion of the additional term loan from Santander.

Heritage Attractions Limited
Strategic report (continued)
for the year ended 31 January 2022

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 49.2% compared to prior year, and an increase in spend per head of 6.53% compared to prior year.

Snowdon Mountain Railway - a increase in visitor numbers of 237.63% compared to prior year, and a decrease in spend per head of 8.85% compared to prior year

The Needles - increase in visitor numbers of 90.21% compared to prior year, and an increase in spend per head of 9.89% compared to prior year.

Sandham Gardens - increase in visitors numbers of 76.07% compared to prior year, and an increase in spend per head of 9.5% compared to prior year.

RLB360 - increase in visitor numbers of 66.46% compared to prior year, and an increase in spend per head of 0.57% compared to prior year.

Overall there was a increase in visitor numbers of 74.85% and an increase in spend per head of 1.02%. The reason for the increase in visitor numbers was due to the lifting of Covid-19 restrictions and a significant rebound in UK domestic tourism, known as "staycation". The directors are pleased with these results.

In addition to visitor numbers and spend per head, the directors proactively monitor EBITDA and cash balances for both internal purposes and to ensure any bank financial covenants are achieved.

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 directors have assessed the main risks facing the company as being:

- competitive pressures from other attraction operators and also alternative leisure spend
- shift in the popularity of UK based holidays
- weather conditions during peak trading periods
- popularity and promotion of certain regions within the UK for domestic holidays

Heritage Attractions Limited
Strategic report (continued)
for the year ended 31 January 2022

Due to the diverse nature and location of the company operations, together with the offering being established and unique, then the directors remain confident in mitigating these risks.

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.

Future developments

Although the continuing impact of the coronavirus pandemic prolonged the period of uncertainty in the global economies and the tourism and hospitality sector, the Directors remain confident that their investment plans can continue albeit over an extended period. The Directors are of the view that a significant element of staycation will remain in 2022 but plan to continue to develop the sites to mitigate any reduction in this from 2023 onwards.

Snowdon Mountain Railway will see significant investment in its track amounting to over £750,000; whilst Land's End and The Needles will see investment into their site infrastructure to further improve the customer experience. Modest expenditure is planned for RLB360 and Sandham Gardens. '

This report was approved by the board on 25 May 2022 and signed on its behalf.



P M Johnson-Treherne
Director

Heritage Attractions Limited
Directors' report
for the year ended 31 January 2022

The directors present their report and financial statements for the year ended 31 January 2022.

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 Gibraltar Trust which, through Cherberry Limited, a Jersey based 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 10. Dividends of £3,250,000 (2021:£850,000) 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 25 May 2022 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 2022

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 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 auditor's 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 2022, 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 2022 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 or 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food hygiene and employment law. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, along with analytical review, tests of detail and controls.

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: 26 May 2022

Heritage Attractions Limited
Profit and loss account
for the year ended 31 January 2022

| | Notes | 2022 £ | 2021 £ |
|--|-------|-------------------|------------------|
| Turnover | 2 | 15,181,481 | 7,682,046 |
| Cost of sales | | (3,584,628) | (1,810,751) |
| Gross profit | | 11,596,853 | 5,871,295 |
| Administrative expenses | | (8,706,354) | (6,860,173) |
| Other operating income | | 387,462 | 1,173,988 |
| Operating profit | 3 | 3,277,961 | 185,110 |
| Interest payable | 5 | (24,214) | (12,737) |
| Profit on ordinary activities before taxation | | 3,253,747 | 172,373 |
| Tax on profit on ordinary activities | 7 | (583,507) | 16,500 |
| Profit for the financial year | | 2,670,240 | 188,873 |

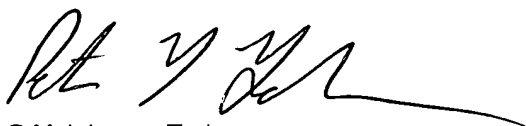
The company has no recognised gains and losses other than the results above and therefore no separate statement of comprehensive income has been presented.

Heritage Attractions Limited
Balance sheet
as at 31 January 2022

Registered number
03741747

| | Notes | 2022 £ | 2021 £ |
|--|-------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 11,909,557 | 13,029,585 |
| Investments | 9 | 4 | 4 |
| | | <u>11,909,561</u> | <u>13,029,589</u> |
| Current assets | | | |
| Stocks | 10 | 753,704 | 940,966 |
| Debtors | 11 | 8,359,286 | 7,012,617 |
| Cash at bank and in hand | | 461,235 | 274,395 |
| | | <u>9,574,225</u> | <u>8,227,978</u> |
| Creditors: amounts falling due within one year | 12 | (1,747,162) | (901,354) |
| Net current assets | | <u>7,827,063</u> | <u>7,326,624</u> |
| Total assets less current liabilities | | <u>19,736,624</u> | <u>20,356,213</u> |
| Creditors: amounts falling due after more than one year | 13 | (6,726,107) | (6,859,886) |
| Provisions for liabilities | | | |
| Deferred taxation | 15 | (694,984) | (601,034) |
| Net assets | | <u>12,315,533</u> | <u>12,895,293</u> |
| Capital and reserves | | | |
| Called up share capital | 16 | 8,221,502 | 8,221,502 |
| Profit and loss account | 17 | 4,094,031 | 4,673,791 |
| Total equity | | <u>12,315,533</u> | <u>12,895,293</u> |

The financial statements were approved by the board of directors and authorised for issue on 25 May 2022 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 2022

| | Share capital £ | Profit and loss account £ | Total £ |
|-------------------------------|-----------------------|------------------------------------|-------------------|
| At 1 February 2020 | 8,221,502 | 5,334,918 | 13,556,420 |
| Profit for the financial year | - | 188,873 | 188,873 |
| Dividends | - | (850,000) | (850,000) |
| At 31 January 2021 | <u>8,221,502</u> | <u>4,673,791</u> | <u>12,895,293</u> |
| At 1 February 2021 | 8,221,502 | 4,673,791 | 12,895,293 |
| Profit for the financial year | - | 2,670,240 | 2,670,240 |
| Dividends | - | (3,250,000) | (3,250,000) |
| At 31 January 2022 | <u>8,221,502</u> | <u>4,094,031</u> | <u>12,315,533</u> |

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

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 of the Companies Act 2006.

The Company's immediate parent undertaking, Heritage Great Britain PLC, includes the Company in its consolidated financial statements. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The accounts present information about the company as an individual entity and not about its group. Heritage Attractions Ltd is a wholly owned subsidiary of Heritage Great Britain PLC and the results of Heritage Attractions Ltd are included in the 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 25, the principal places of business are also included here.

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

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 food, beverage and retail income, revenue is recognised on receipt of cash basis. For hotel accommodation, admissions 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.

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.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

Going concern

The Directors acknowledge that there continues to be a level of uncertainty in the UK economy in 2022, with the impact of the coronavirus on supply chains and travel, but also rising inflation increasing the cost of living and reducing customers' disposable income.

The Directors have produced forecasts to January 2024 that demonstrate the company has sufficient headroom to meet future obligations and any bank covenant requirements based on reasonable projections of trading.

The majority of the additional funding drawn down by the company's parent company during 2020 and 2021 to provide a buffer to any impact from the Coronavirus pandemic, was repaid during the year, and the Group continues to maintain high cash balances to mitigate against any sudden and unexpected downturn in trade. The result of this is the company will continue to carry additional cash resources in excess of its forecast needs. Cash flow and working capital requirements are managed on a group basis.

At the time of approving the financial statements, the directors have a positive expectation based on their forecasts and actual trading results in 2022 to date, together with general economic and tourism trends, that the company has more than 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.

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.

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.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

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 2022

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 and shown within other operating income.

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 £105,968 (2021: £101,627). The amount outstanding at year end was £19,052 (2021: £3,699).

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.

The significant estimates and judgements relate to provision for uninsured losses, assessment of future trading for the purpose of going concern and valuation of slow moving stock.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

| | | |
|--|-------------------|------------------|
| 2 Analysis of turnover | 2022 | 2021 |
| | £ | £ |
| By activity: | | |
| Attractions and admissions | 7,033,378 | 2,871,404 |
| Retail | 3,308,952 | 1,845,979 |
| Catering, hotel and bar | 4,672,297 | 2,834,048 |
| Other revenues | 166,854 | 130,615 |
| | <u>15,181,481</u> | <u>7,682,046</u> |
| All turnover is derived in the UK | | |
| 3 Operating profit | 2022 | 2021 |
| | £ | £ |
| This is stated after charging: | | |
| Depreciation of owned fixed assets | 717,137 | 707,809 |
| Impairment of fixed assets | 540,188 | - |
| Operating lease rentals - plant and machinery | 7,176 | 11,547 |
| Government grants | (322,027) | (1,142,089) |
| Loss on disposal of fixed asset | - | 1,877 |
| Carrying amount of stock sold | <u>3,584,628</u> | <u>1,810,751</u> |
| Auditor fees and tax services are met by the parent company. | | |
| 4 Staff costs | 2022 | 2021 |
| | £ | £ |
| Wages and salaries | 4,424,531 | 3,747,871 |
| Social security costs | 316,474 | 255,168 |
| Other pension costs | 105,968 | 101,627 |
| | <u>4,846,973</u> | <u>4,104,666</u> |
| Average number of employees during the year (head count) was: | Number | Number |
| Administration | 22 | 21 |
| Sales | 225 | 199 |
| | <u>247</u> | <u>220</u> |
| Average number of employees during the year (full time equivalent) was: | Number | Number |
| Administration | 22 | 21 |
| Sales | 169 | 153 |
| | <u>191</u> | <u>174</u> |
| Directors' remuneration is met by the parent company. | | |
| 5 Interest payable | 2022 | 2021 |
| | £ | £ |
| Other interest | 781 | 372 |
| Finance charges payable under finance leases and hire purchase contracts | 23,433 | 12,365 |
| | <u>24,214</u> | <u>12,737</u> |

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

6 Government grants

During the year, the company received an Economic Resilience Fund grant from the Welsh Assembly amounting to £52,500 (2021: £100,000). The purpose of the grant was to support businesses affected by the Covid-19 pandemic (defined as 60% or more reduction in revenue) to cover costs and sustain employment. The grant is conditional on the Snowdon Mountain Railway business retaining 35 full-time equivalent positions for at least 12 months from date of receipt.

During the year, the company received £193,235 (2021: £953,313) from the UK government as part of the Coronavirus Job Retention Scheme.

During the year, the company received £76,292 (2021: £88,776) of grants from councils as part of a UK government Covid support package. These grants were awarded based on sector of operation and rateable value of the relevant premises. There are no conditions attached to these grants.

| 7 Taxation | 2022 | 2021 |
|--|-------------|--------------|
| | £ | £ |
| Analysis of charge in period | | |
| Current tax: | | |
| UK corporation tax on profits of the period | 489,561 | - |
| Adjustments in respect of previous periods | (4) | (3,207) |
| | 489,557 | (3,207) |
| Deferred tax: | | |
| Origination and reversal of timing differences | 93,950 | (13,293) |
| | 93,950 | (13,293) |
| Tax on profit on ordinary activities | 583,507 | (16,500) |

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:

| | 2022 | 2021 |
|--|---------------|-------------|
| | £ | £ |
| Profit for the year | 2,670,240 | 188,873 |
| Total tax expense | 583,507 | (16,500) |
| Profit on ordinary activities before taxation | 3,253,747 | 172,373 |
| Standard rate of corporation tax in the UK | 19.00% | 19.00% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 618,212 | 32,751 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1,020 | 21,451 |
| Fixed asset differences | 36,420 | 57,309 |
| Group relief claimed | (238,937) | (193,319) |
| Adjustments to tax charge in respect of previous periods - deferred tax | - | (3,363) |
| Remeasurement of deferred tax for changes in tax rates | 166,796 | 71,878 |
| Adjustments to tax charge in respect of previous periods | (4) | (3,207) |
| Total tax charge for period | 583,507 | (16,500) |

Factors that may affect future tax charges

The rate of corporation tax applied to taxable profits in this accounting period is 19%. An increase in the tax rate to 25% effective from 1 April 2023 was provided for in the 2021 Finance Bill, which was substantively enacted on 24 May 2021. Deferred tax has therefore been calculated using the 25% rate, this being the rate at which the company's deferred tax assets and liabilities are likely to reverse.

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

8 Tangible fixed assets

| | Railway line, locomotives and carriages £ | Freehold Land and buildings £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|-----------------------|---|--|-----------------------------|------------------------|-------------------------------|-------------------|
| Cost | | | | | | |
| At 31 January 2021 | 4,590,955 | 11,226,023 | 4,957,071 | 162,336 | 3,906,521 | 24,842,906 |
| Additions | - | 33,344 | 32,778 | - | 124,342 | 190,464 |
| Disposals | (28,167) | - | - | (25,000) | - | (53,167) |
| At 31 January 2022 | <u>4,562,788</u> | <u>11,259,367</u> | <u>4,989,849</u> | <u>137,336</u> | <u>4,030,863</u> | <u>24,980,203</u> |
| Depreciation | | | | | | |
| At 31 January 2021 | 1,036,815 | 4,364,587 | 3,164,377 | 134,894 | 3,112,648 | 11,813,321 |
| Charge for the year | 65,323 | 224,945 | 274,699 | 1,724 | 150,446 | 717,137 |
| Impairment | 540,188 | - | - | - | - | 540,188 |
| At 31 January 2022 | <u>1,642,326</u> | <u>4,589,532</u> | <u>3,439,076</u> | <u>136,618</u> | <u>3,263,094</u> | <u>13,070,646</u> |
| Net book value | | | | | | |
| At 31 January 2022 | <u>2,920,462</u> | <u>6,669,835</u> | <u>1,550,773</u> | <u>718</u> | <u>767,769</u> | <u>11,909,557</u> |
| At 31 January 2021 | <u>3,554,140</u> | <u>6,861,436</u> | <u>1,792,694</u> | <u>27,442</u> | <u>793,873</u> | <u>13,029,585</u> |

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

| 9 Investments | | | 2022 | 2021 |
|---|---------------------------|--|---|---------------------------------------|
| | | | £ | £ |
| Shares in subsidiary undertakings | | | <u>4</u> | <u>4</u> |
| | Principal activity | Class and percentage of shares held | Aggregate amount of capital & reserves | Profit or (loss) in the period |
| | | | £ | £ |
| Land's End Limited | Dormant | 100% ordinary | 2 | - |
| John O'Groats Limited | Dormant | 100% ordinary | 2 | - |
| Registered office of above undertakings: 5th Floor 88 Church Street Liverpool L1 3HD | | | | |
| 10 Stocks | | | 2022 | 2021 |
| | | | £ | £ |
| Raw materials and consumables | | | 264,297 | 333,345 |
| Work in progress | | | 56,464 | 39,382 |
| Finished goods and goods for resale | | | <u>432,943</u> | <u>568,239</u> |
| | | | <u>753,704</u> | <u>940,966</u> |
| 11 Debtors | | | 2022 | 2021 |
| | | | £ | £ |
| Trade debtors | | | 11,596 | 23,378 |
| Amounts owed by group undertakings | | | 7,976,978 | 6,712,105 |
| Other debtors | | | 147,307 | 49,470 |
| Prepayments and accrued income | | | <u>223,405</u> | <u>227,664</u> |
| | | | <u>8,359,286</u> | <u>7,012,617</u> |
| 12 Creditors: amounts falling due within one year | | | 2022 | 2021 |
| | | | £ | £ |
| Obligations under finance lease and hire purchase contracts | | | 87,799 | 85,439 |
| Trade creditors | | | 513,571 | 261,405 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | | 150,958 | 150,958 |
| Corporation tax | | | 489,561 | - |
| Other taxes and social security costs | | | 76,062 | 56,379 |
| Other creditors | | | 63,319 | 35,825 |
| Accruals and deferred income | | | <u>365,892</u> | <u>311,348</u> |
| | | | <u>1,747,162</u> | <u>901,354</u> |
| 13 Creditors: amounts falling due after one year | | | 2022 | 2021 |
| | | | £ | £ |
| Obligations under finance lease and hire purchase contracts | | | 730,077 | 817,856 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | | | 5,569,030 | 5,579,030 |
| Accruals and deferred income | | | <u>427,000</u> | <u>463,000</u> |
| | | | <u>6,726,107</u> | <u>6,859,886</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
for the year ended 31 January 2022

14 Finance lease and hire purchase contracts

Obligations under finance lease and hire purchase contracts are secured by the related assets and bear finance charges at a rate of 2.7% per annum (2021: 2.7%)

| | 2022 £ | 2021 £ |
|--------------------------|----------------|----------------|
| Amounts payable: | | |
| Within one year | 87,799 | 85,439 |
| Within two to five years | 730,077 | 817,856 |
| | <u>817,876</u> | <u>903,295</u> |

Finance lease payments represent rentals payable by the Company for certain items of plant and machinery. Finance leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets.

Since the year end, the asset finance lease has been repaid in full.

The Company's obligations under finance leases are secured by the lessor's charge over the leased assets.

15 Deferred taxation

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Accelerated capital allowances | <u>694,984</u> | <u>601,034</u> |
| | 2022 £ | 2021 £ |
| At 1 February | 601,034 | 614,327 |
| Deferred tax charge / (credit) in profit and loss account | 93,950 | (13,293) |
| At 31 January | <u>694,984</u> | <u>601,034</u> |

16 Share capital

| | Nominal value | 2022 Number | 2022 £ | 2021 £ |
|-------------------------------------|------------------|----------------|------------------|------------------|
| Allotted, called up and fully paid: | | | | |
| Ordinary shares | £1 each | 8,221,502 | <u>8,221,502</u> | <u>8,221,502</u> |

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

17 Profit and loss account

Cumulative profit and loss net of distributions to owners.

18 Dividends

| | 2022 £ | 2021 £ |
|------------------------------|------------------|----------------|
| Dividends on ordinary shares | <u>3,250,000</u> | <u>850,000</u> |

A dividend of 39.53 pence per ordinary share was payable in the year (2021: 10.34 pence)

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

19 Other financial commitments

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

| | Other 2022 £ | Other 2021 £ |
|--------------------------|--------------------|--------------------|
| Falling due: | | |
| within one year | 2,692 | 6,689 |
| within two to five years | - | 2,243 |
| | 2,692 | 8,932 |

The company has a ten year lease at our RLB360 site that expires on 1 April 2029 and the rent payable is based on a percentage of net revenue less attributable costs, and as such is not included in the figures above as the amount due cannot be reliably estimated.

20 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 bank loan or overdraft arrangements then Heritage Attractions Limited would be liable for any outstanding liabilities. The net overdraft and loan balance for other Group Companies at the year end amounted to £1,070,149 positive (2021: £488,433 negative).

21 Related party transactions

During the year, the company had the following transactions with La Vignette Limited (a company invested into by the Trust based in Gibraltar, of which Mr A J S Leech is also a beneficiary):

- 1) The Company sold a Roll Royce to La Vignette Limited at its net book value of £25,000. There was no profit or loss on disposal and payment was received in full.
- 2) During the year, the Company received £3,976 from La Vignette Limited to clear an historic debt owed to the Company.
- 3) In a previous year the Company received £10,000 from La Vignette Limited as a contribution in the form of a loan towards various capital projects. The full £10,000 was repaid during the year (2021: £10,000).

As at the year end, there are no balances due from or to La Vignette Limited.

22 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, the Trustees of that Trust can exercise ultimate control, as defined under FRS 102 Section 33, over the Company.

23 Presentation currency

The financial statements are presented in Sterling.

24 Legal form of entity and country of incorporation

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

Heritage Attractions Limited
Notes to the Accounts
for the year ended 31 January 2022

25 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
Sennen
Penzance
Cornwall
TR19 7AA

Snowdon Mountain Railway
Llanberis
Caernarfon
Gwynedd
LL55 4TT

The Needles
Alum Bay
Isle of Wight
PO39 0JD

The First & Last Inn
Sennen
Penzance
Cornwall
TR19 7AD

RLB 360
Royal Liver Building
Pier Head
Liverpool
L3 1HU

Sandham Gardens
Sandown Bay
Culver Parade
Sandown
Isle of Wight
PO36 8AT