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Chartered Accountants

Established Nineteen Twenty Six

**HERITAGE PROJECTS
LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 JANUARY 2004



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HERITAGE PROJECTS LIMITED

COMPANY INFORMATION

Directors

P V Addyman, C.B.E.
J E Delaney
J A East, C.B.E.
D Tweddle

Secretary

I D Stephenson

Company number

1732450 (England and Wales)

Registered office

St. Edmund's House
Margaret Street
York
YO10 4UX

Auditors

Ashworth Moulds
11 Nicholas Street
Burnley
Lancashire
BB11 2AL

Bankers

Royal Bank of Scotland plc
6 Nessgate
York
YO1 9FY

HERITAGE PROJECTS LIMITED

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HERITAGE PROJECTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2004

The directors present their report and financial statements for the year ended 31 January 2004.

Principal activities and review of the business

The principal activities of the company continued to be those of the provision of consultancy and development services to the leisure and tourism industries and the provision of management and marketing services to independently owned visitor and leisure attractions.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend the payment of a dividend.

Directors

The following directors have held office since 1 February 2003:

P V Addyman, C.B.E.

J E Delaney

J A East, C.B.E.

D Tweddle

Directors' interests

There were no directors' interests requiring disclosure under the Companies Act 1985 during the year under review.

Auditors

A resolution to re-appoint Ashworth Moulds as auditors to the company will be put to the members at the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

By order of the board



I D Stephenson

Secretary

16 September 2004

HERITAGE PROJECTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HERITAGE PROJECTS LIMITED

We have audited the financial statements on pages 3 to 9 for the year ended 31 January 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

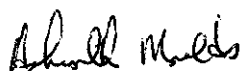
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ashworth Moulds

Chartered Accountants
Registered Auditor

16 September 2004

11 Nicholas Street
Burnley
Lancashire
BB11 2AL

HERITAGE PROJECTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2004

	Notes	2004 £	2003 £
Turnover	2	326,369	312,016
Cost of sales		(302,266)	(280,044)
Gross profit		<u>24,103</u>	<u>31,972</u>
Administrative expenses		(371)	(8,408)
Operating profit	3	<u>23,732</u>	<u>23,564</u>
Other interest receivable and similar income		740	2,253
Profit on ordinary activities before taxation		<u>24,472</u>	<u>25,817</u>
Tax on profit on ordinary activities	4	(2,182)	(4,978)
Profit on ordinary activities after taxation	9	<u><u>22,290</u></u>	<u><u>20,839</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 5 - 9 form an integral part of these accounts.

HERITAGE PROJECTS LIMITED

BALANCE SHEET AS AT 31 JANUARY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Investments	5		100		100
Current assets					
Debtors	6	349,242		344,794	
Cash at bank and in hand		31,039		50,401	
		<u>380,281</u>		<u>395,195</u>	
Creditors: amounts falling due within one year	7	<u>(70,103)</u>		<u>(107,307)</u>	
Net current assets			310,178		287,888
Total assets less current liabilities			<u>310,278</u>		<u>287,988</u>
Capital and reserves					
Called up share capital	8	100,500		100,500	
Profit and loss account	9	209,778		187,488	
Shareholders' funds - equity interests	10	<u>310,278</u>		<u>287,988</u>	

The notes on pages 5 - 9 form an integral part of these accounts.

The financial statements were approved by the Board on 16 September 2004


D Tweddle
Director

HERITAGE PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of The Continuum Group Limited, a company incorporated in England and Wales.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	4,589	2,040

HERITAGE PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

4	Taxation	2004 £	2003 £
	Domestic current year tax		
	Adjustment for prior years	(1,700)	-
	Payment in respect of group relief	3,882	4,978
		<hr/>	<hr/>
	Current tax charge	2,182	4,978
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	24,472	25,817
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 20.00%)	4,650	5,163
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	(768)	31
	Adjustments to previous periods	(1,700)	-
	Marginal rates	-	(216)
		<hr/>	<hr/>
		(2,468)	(185)
		<hr/>	<hr/>
	Current tax charge	2,182	4,978
		<hr/>	<hr/>

HERITAGE PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

5 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 February 2003 & at 31 January 2004	100

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Action Marketing Team Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Action Marketing Team Limited	26,400	3,287

The principal activity of the company is that of consultancy and development services to the tourism and leisure industries.

6 Debtors	2004 £	2003 £
Trade debtors	67,836	246,336
Amounts owed by parent and fellow subsidiary undertakings	237,065	98,458
Prepayments and accrued income	44,341	-
	<u>349,242</u>	<u>344,794</u>

HERITAGE PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

7	Creditors: amounts falling due within one year	2004	2003
		£	£
	Amounts owed to parent and fellow subsidiary undertakings	3,882	-
	Amounts owed to subsidiary undertakings	55,542	41,105
	Taxes and social security costs	9,179	32,166
	Accruals and deferred income	1,500	34,036
		<u>70,103</u>	<u>107,307</u>
8	Share capital	2004	2003
		£	£
	Authorised		
	100,500 Ordinary shares of £1 each	<u>100,500</u>	<u>100,500</u>
	Allotted, called up and fully paid		
	100,500 Ordinary shares of £1 each	<u>100,500</u>	<u>100,500</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 February 2003		187,488
	Retained profit for the year		<u>22,290</u>
	Balance at 31 January 2004		<u>209,778</u>
10	Reconciliation of movements in shareholders' funds	2004	2003
		£	£
	Profit for the financial year	22,290	20,839
	Opening shareholders' funds	<u>287,988</u>	<u>267,149</u>
	Closing shareholders' funds	<u>310,278</u>	<u>287,988</u>

HERITAGE PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

11 Employment costs

The average monthly number of employees (excluding directors) during the year was:

	2004 Number	2003 Number
Management	1	2
	£	£
Wages and salaries	21,150	40,719

No director received remuneration during the year for their services as a director of the company.

12 Control

Ultimate parent undertaking

The directors regard Heritage Projects (Guernsey) Limited, a company registered in Guernsey, to be the company's ultimate parent undertaking and controlling party.

Immediate parent undertaking

The company's immediate parent undertaking is The Continuum Group Limited, a company incorporated in England and Wales.

13 Related party transactions

During the year the company incurred charges for services supplied in the ordinary course of business from Heritage Projects (Management) Limited, a fellow subsidiary undertaking, at a cost of £228,816 (2003: £219,850).

The company supplied services in the ordinary course of business to Past Forward Limited, a fellow subsidiary undertaking, at a cost of £nil (2003: £13,735).