

Heritage Great Britain PLC

Annual Report and Consolidated Financial Statements

31 January 2010

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Contents	Page
DIRECTORS AND ADVISERS	2
DIRECTORS' REPORT	3
REPORT OF THE AUDITORS	7
CONSOLIDATED PROFIT AND LOSS ACCOUNT	9
CONSOLIDATED BALANCE SHEET	10
COMPANY BALANCE SHEET	11
CONSOLIDATED CASH FLOW	12
NOTES TO THE FINANCIAL STATEMENTS	13

Heritage Great Britain PLC

Registered No 2808359

Directors

P M Treherne
A J S Leech
D C S Westgate

Secretary

P Cushion

Auditors

Cowgill Holloway Liverpool LLP
(formerly known as Jackson UK LLP)
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

Bankers

Santander Commercial Bank
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Salehs LLP
748 Wilmslow Road
Didsbury
Manchester
M20 6WF

Registered Office

Suite 37
The Colonnades
Albert Dock
Liverpool
L3 4AA

Directors' report

The directors present their report and the audited Group consolidated financial statements of Heritage Great Britain PLC for the year ended 31 January 2010

Principal activities

The principal activity of the company is that of a holding company. The Group undertakes the operation of various landmark and other day visitor attractions situated in the Isle of Wight, Cornwall, North Wales and Scotland, and operates a marketing agency in Manchester.

Review of the business and future developments

The results for the year are set out on page 9. The Directors are pleased with the results for the year. The Snowdon Summit project was completed in June and the results have been very encouraging. Various cost reduction measures were introduced in the year which has resulted in administrative costs falling. Planning permission was achieved for the development of a lodge park at the former World in Miniature site in Goonhavern which will commence development in late 2010. A new 4D cinema has been introduced at Lands End which the Directors believe will lead to an increase in the profitability of the site.

Centrix Q2 Ltd had a challenging 2009 due to the recession as many companies decreased their marketing and advertising spend which resulted in a drop in revenue of 31%. The directors will continue to seek new clients this year in a tough market and ensure that there is strong cost control across all areas.

Results and dividends

The Group profit for the year, after taxation, amounted to £145,804 (2009 £47,070 loss). The directors do not recommend the payment of a dividend.

Fixed assets

Details of changes in tangible fixed assets are given in note 9 to the financial statements.

Creditor payment policy

The company agrees terms and conditions under which business transactions with suppliers are conducted. Payments to suppliers are made in accordance with these terms, provided that suppliers have complied with all relevant terms and conditions. In the absence of any agreement with a supplier, settlement is normally made in the month following receipt of invoice.

The company's average creditor payment period at the year end was 40 days.

Donations

The Group made charitable donations of £4,263 (2009 £2,338) during the year. No political donations were made.

Treasury policies

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

The company finances its activities with a combination of bank overdrafts, finance leases, hire purchase contracts and cash deposits. Overdrafts are used to satisfy short term cash flow requirements. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The company does not trade in financial instruments and has no other form of derivatives.

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

Directors' report

Interest rate risk

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

Liquidity risk

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

Foreign currency risk

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

Directors and their interests

The directors of the company during the year were as follows:

P M Treherne
A J S Leech
D S C Westgate

Mr A J S Leech is a discretionary beneficiary of a Jersey Trust which, through Cherberry Limited, a Jersey company, owns the entire share capital of the company. None of the other directors have disclosable interests in the shares of the Group.

Employees

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

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

Directors' report

Disclosure of information to the auditors

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

Auditors

Cowgill Holloway Liverpool LLP, being eligible offer themselves for reappointment as auditors for the company in accordance with section 385 of the Companies Act 2006.

By order of the Board



P Cushion
Secretary

14 May 2010

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the Directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 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 may differ from legislation in other jurisdictions.

Report of the independent auditors, Cowgill Holloway Liverpool LLP to the members of Heritage Great Britain PLC

We have audited the financial statements of Heritage Great Britain PLC for the year ended 31 January 2010 set out on pages 1 to 29 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on pages 3 - 5, the director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 January 2010 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

Report of the independent auditors, Cowgill Holloway Liverpool LLP to the members of Heritage Great Britain PLC

- 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

Claire Jackson (Senior Statutory Auditor)



for and on behalf of Cowgill Holloway Liverpool LLP

17th May 2010

Cowgill Holloway Liverpool LLP

Chartered Accountants

Statutory Auditor

The Plaza, 9th Floor

100 Old Hall Street

Liverpool L3 9QJ

Consolidated profit & loss

For the year ended 31 January 2010

	Notes	2010 £	2009 £
Turnover			
Continued operations	2	11,367,064	10,207,037
Discontinued operations		-	261,166
Cost of sales		(3,183,918)	(2,992,737)
Gross profit		8,183,146	7,475,466
Administrative expenses		(7,678,290)	(7,758,259)
Operating Profit / (loss)			
Continuing operations		504,856	(169,813)
Discontinued operations		-	(112,980)
		504,856	(282,793)
Interest receivable and similar income	3	114,920	134,845
Interest payable and similar charges	4	(295,838)	(390,675)
Profit / (Loss) on ordinary activities before taxation	5	323,938	(538,623)
Taxation	8	(178,134)	491,553
Retained profit/(loss) for the financial year	20	145,804	(47,070)

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

Statement of total recognised gains and losses

For the year ended 31 January 2010

	Notes	2010 £	2009 £
Profit / (Loss) for the year		145,804	(47,070)
Actuarial (loss)/gain on pension scheme	27	(284,050)	148,200
Total recognised gains and losses relating to the year		(138,246)	101,130

Consolidated balance sheet

At 31 January 2010

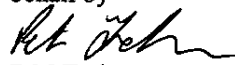
	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	9	11,404,054	11,360,593
Intangible assets	10	128,457	142,220
		<u>11,532,511</u>	<u>11,502,813</u>
Current assets			
Stocks	12	559,719	582,598
Debtors	13	558,493	546,161
Investments held as current assets	14	-	34,222
Cash at bank and in hand		150,191	83,093
		<u>1,268,403</u>	<u>1,246,074</u>
Creditors: amounts falling due within one year	15	2,023,765	1,952,052
Net current liabilities		<u>(755,362)</u>	<u>(705,978)</u>
Total assets less current liabilities		<u>10,777,149</u>	<u>10,796,835</u>
Creditors: amounts falling due after more than one year	16	3,971,550	4,155,347
Accruals and deferred income	17	49,011	59,011
Provisions for liabilities and charges excluding pension scheme deficit	18	444,444	378,987
Net assets excluding pension scheme deficit		<u>6,312,144</u>	<u>6,203,490</u>
Pension scheme deficit	27	460,700	213,800
Net assets including pension scheme deficit		<u>5,851,444</u>	<u>5,989,690</u>
Capital and reserves			
Called up share capital	19	5,213,371	5,213,371
Profit and loss account	20	638,073	776,319
Equity shareholders' funds	21	<u>5,851,444</u>	<u>5,989,690</u>

Company balance sheet

At 31 January 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	9	5,440	7,353
Investments	11	13,435,037	13,435,037
		<u>13,440,477</u>	<u>13,442,390</u>
Current assets			
Debtors	13	235,599	161,283
Cash at bank and in hand		90,273	19,369
		<u>325,872</u>	<u>180,652</u>
Creditors: amounts falling due within one year	15	4,697,521	4,520,899
Net current liabilities		<u>(4,371,649)</u>	<u>(4,340,247)</u>
Total assets less current liabilities		<u>9,068,828</u>	<u>9,102,143</u>
Creditors: amounts falling due after more than one year	16	3,535,237	3,853,557
Provisions for liabilities and charges	18	270,630	299,126
		<u>5,262,961</u>	<u>4,949,460</u>
Capital and reserves			
Called up share capital	19	5,213,371	5,213,371
Profit and loss account	20	49,590	(263,911)
Equity shareholders' funds	21	<u>5,262,961</u>	<u>4,949,460</u>

The financial statements were approved by the Board of Directors on 14 May 2010 and were signed on its behalf by



P M Treherne

Director

Heritage Great Britain PLC has made a profit after tax of £145,804 (2009 loss £47,070)

The exemption confirmed by s408 of the Companies Act 2006 is being relied on

Consolidated cash flow statement

For the year ended 31 January 2010

	Notes	2010 £	2009 £
Net cash inflow/(outflow) from continuing operating activities	24	1,629,280	138,440
Returns on investments and servicing of finance			
Interest received and similar income		114,920	134,845
Interest paid		(362,508)	(355,388)
Interest element of finance lease rental payments		11,063	(60,087)
		(236,525)	(286,630)
Taxation			
Corporation tax paid		-	-
		-	-
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(641,365)	(486,541)
Receipts from sales of tangible fixed assets		27,038	10,087
		(614,327)	(476,454)
Net cash outflow before financing		778,428	(274,644)
Financing			
Repayment of short-term loans	26	(250,000)	-
Repayment of long-term loans	26	(65,000)	-
Capital element of finance lease rentals	26	295,810	68,894
Increase in cash in the year	25	759,238	(555,750)

Notes to the financial statements

At 31 January 2010

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom and the Companies Act 2006 s256. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Basis of consolidation

The Group accounts consolidate the accounts of Heritage Great Britain PLC and all its subsidiary undertakings drawn up to 31 January 2010. No profit and loss account is presented for Heritage Great Britain PLC as permitted by section 230 of the Companies Act 2006.

Goodwill

Positive goodwill arising on businesses acquired is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- Deferred tax are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

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

Turnover

Turnover represents amounts (excluding value added tax) derived from provision of goods and services rendered during the period.

Notes to the financial statements

At 31 January 2010

Accounting policies (continued)

Tangible fixed assets

The cost of tangible fixed assets is their purchase or construction cost, together with any incidental costs of acquisition

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are

Freehold buildings	-	2%
Plant and machinery	-	5% to 10%
Fixtures and fittings	-	12.5%
Motor vehicles	-	25%
Computer equipment	-	33%

The long leasehold premises are depreciated over 50 years or the length of the lease, whichever is shorter. Freehold and long leasehold land is not depreciated

Locomotives 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 terms of the lease

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount is calculated as being the higher of the amount at which the assets could be disposed of, less any direct selling costs, and the present value of the future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include all costs incurred in bringing each item to its present location and condition

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

Finance leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element, which reduces the outstanding obligation for future instalments

Pensions

The Group 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 £129,954 (2009 £84,658). There are no contributions payable at the period end

Notes to the financial statements

At 31 January 2010

Accounting policies (continued)

The Group also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those to the company, being invested with The Equitable Life Assurance Society, Zurich and Sterling. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet. Further details are set out in note 27.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the estimated useful lives of the relevant assets by equal annual instalments.

2. Turnover and segmental analysis by class of business

Turnover, which is stated net of value added tax, consists entirely of sales made in Great Britain. An analysis of turnover by activity is given below.

	2010 £	2009 £
By activity		
Attractions and admissions	4,473,101	3,161,210
Retailing	3,017,244	2,601,134
Catering, hotel and bar	3,087,678	2,554,348
Marketing and advertising	446,700	782,200
Other revenue	342,341	1,369,311
	<u>11,367,064</u>	<u>10,468,203</u>

3. Interest receivable and similar income

	2010 £	2009 £
Bank interest receivable	3,279	21,533
Rent receivable	111,641	113,312
	<u>114,920</u>	<u>134,845</u>

4. Interest payable and similar charges

	2010 £	2009 £
Bank loans and overdrafts	283,691	292,008
Finance lease charges payable under finance leases and hire purchase contracts	(11,063)	66,087
Other finance costs	23,210	32,580
	<u>295,838</u>	<u>390,675</u>

Notes to the financial statements

At 31 January 2010

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation of tangible fixed assets - owned	505,657	513,027
Depreciation of tangible fixed assets - leased	65,209	49,568
Operating lease rentals - plant and machinery	95,556	126,579
Operating lease rentals - land and buildings	71,763	78,334
Amortisation of goodwill	13,763	13,763
Auditors' remuneration (Audit work £22,964, Taxation £2,500)	25,464	23,799
Government grant - release of deferred income	(10,000)	(10,000)

6. Emoluments of directors

	2010	2009
	£	£
Aggregate emoluments (including benefits in kind)	161,859	168,702
Pension contributions to a money purchase scheme	30,082	14,500
	191,941	183,202

	2010	2009
	No	No
Members of money purchase pension schemes	2	2

Notes to the financial statements

At 31 January 2010

7. Employee information

The average monthly number of employees (including paid executive directors) employed by the Group during the year was

	2010 No	2009 No
Management and administration	23	23
Retail, catering and other	205	214
	<u>228</u>	<u>237</u>

	2010 £	2009 £
Staff costs for the above persons		
Wages and salaries	3,882,456	3,987,320
Social security costs	332,171	334,538
Pension costs	129,954	88,239
	<u>4,344,581</u>	<u>4,410,097</u>

8. Tax on loss on ordinary activities

a) Analysis of tax charge in period

	2010 £	2009 £
Current tax		
UK corporation tax on profit/(loss) for the year	84,181	-
Total current tax (note 8b))	<u>84,181</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	93,953	(491,553)
Total deferred tax (note 18)	<u>93,953</u>	<u>(491,553)</u>
Tax on profit / (loss) on ordinary activities	<u>178,134</u>	<u>(491,553)</u>

Notes to the financial statements

At 31 January 2010

8. Tax on loss on ordinary activities (continued)

b) Factors affecting tax charge for the year

The tax assessed for the period is different to the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010 £	2009 £
Profit/(Loss) on ordinary activities before tax	323,938	(538,623)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	90,703	(150,814)
Effects of		
Expenses not deductible for tax purposes	13,428	12,831
Differences between capital allowances and depreciation	(50,085)	130,540
Group relief surrendered	31,359	7,443
Marginal relief claimed	(1,224)	-
Current tax charge for the year (note 8a)	84,181	-

Notes to the financial statements

At 31 January 2010

9. Tangible fixed assets

<i>Group</i>	<i>Land and buildings</i>	<i>Railway line and rolling stock</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£	£	£	£
Cost						
At 1 February 2009	10,435,342	1,700,815	2,383,672	181,106	2,457,359	17,158,294
Additions	-	-	595,378	-	45,987	641,365
Disposals	-	-	-	(49,057)	-	(49,057)
At 31 January 2010	10,435,342	1,700,815	2,979,050	132,049	2,503,346	17,750,602
Depreciation						
At 1 February 2009	1,779,109	396,398	1,558,901	119,335	1,943,958	5,797,701
Charge for the year	176,702	32,016	224,405	154	137,589	570,866
Eliminated on disposal	-	-	-	(22,019)	-	(22,019)
At 31 January 2010	1,955,811	428,414	1,783,306	97,470	2,081,547	6,346,548
Net book value						
At 31 January 2010	8,479,531	1,272,401	1,195,744	34,579	421,799	11,404,054
At 31 January 2009	8,656,233	1,304,417	824,773	61,771	513,401	11,360,593

Fixed assets with a net book value of £890,659 (2009 £425,318) which are held under finance leases are included above. The depreciation charge for assets held under a finance lease amounted to £65,209 (2009 £49,568).

The net book value of land and buildings comprises

	<i>2010</i>	<i>2009</i>
	£	£
Freehold	8,479,531	8,633,131
Long leasehold	-	23,102
	8,479,531	8,656,233

Notes to the financial statements

At 31 January 2010

9. Tangible fixed assets (continued)

<i>Company</i>	<i>Total £</i>
Cost	
At 1 February 2009	75,875
Additions	1,991
At 31 January 2010	77,866
Depreciation	
At 1 February 2009	68,522
Charge for the year	3,904
At 31 January 2010	72,426
Net book value	
At 31 January 2010	5,440
At 31 January 2009	7,353

10. Intangible fixed assets

	<i>Goodwill £</i>
Cost	
At 1 February 2009 and 31 January 2010	301,502
Amortisation	
At 1 February 2009	159,282
Amortised in the year	13,763
At 31 January 2010	173,045
Net book value	
At 31 January 2010	128,457
At 31 January 2009	142,220

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

Notes to the financial statements

At 31 January 2010

11. Investments

<i>Company</i>	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Cost		
At 1 February 2009	13,435,037	13,435,037
Additions	-	-
At 31 January 2010	<u>13,435,037</u>	<u>13,435,037</u>

The principal subsidiary undertakings, registered in England and Wales, are as follows

Heritage Attractions Limited	Trading
Centrix Q2 Limited	Trading
Snowdon Mountain Railway Limited	Dormant
The Land's End and John O'Groats Company Limited	Dormant
LEJOG Limited	Dormant
End to End Limited	Dormant
Lightwater Resorts Limited	Dormant
Goonhavern Pines Limited	Dormant

The company also has a controlling interest in two dormant companies registered in England and Wales, Land's End Limited and John O'Groats Limited, via the intermediary subsidiary company, Heritage Attractions Limited

12. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Finished goods and goods for resale	339,600	334,148	-	-
Raw materials and spares	187,065	204,360	-	-
Catering and bar stocks	33,054	39,990	-	-
Work in Progress	-	4,100	-	-
	<u>559,719</u>	<u>582,598</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

At 31 January 2010

13. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Amounts falling due within one year				
Trade debtors	289,110	251,302	70,989	23,152
Other debtors	87,685	3,698	36,584	3,698
Prepayments and accrued income	181,698	291,161	61,024	69,211
Amounts due from subsidiary undertakings	-	-	67,003	65,222
	<u>558,493</u>	<u>546,161</u>	<u>235,600</u>	<u>161,283</u>

14. Investments held as current assets

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Unlisted investments	-	34,222	-	-
	<u>-</u>	<u>34,222</u>	<u>-</u>	<u>-</u>

15. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade creditors	386,267	416,371	63,480	1,109
Loans	250,000	106,257	250,000	250,000
Bank overdraft	-	692,140	-	73,881
Corporation Tax	84,181	-	-	-
Other taxation and social security	81,262	85,830	11,460	10,896
Obligations under finance leases and HP contracts (secured on assets to which they relate)	194,499	173,635	2,849	2,453
Other creditors	298,845	276,053	212,193	214,433
Accruals and deferred income	728,711	201,766	81,326	165,563
Amounts owed to subsidiary companies	-	-	4,076,213	3,802,564
	<u>2,023,765</u>	<u>1,952,052</u>	<u>4,697,521</u>	<u>4,520,899</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned

Notes to the financial statements

At 31 January 2010

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

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Obligations under finance leases and HP Contracts	436,550	161,604	237	3,557
Loans – secured (see below)	3,535,000	3,993,743	3,535,000	3,850,000
	<u>3,971,550</u>	<u>4,155,347</u>	<u>3,535,237</u>	<u>3,853,557</u>

Details of the maturity of loans are as follows

	<i>Group</i>		<i>Company</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Amounts falling due				
In one year or less	250,000	106,257	250,000	250,000
In more than one year but not more than two years	250,000	126,792	250,000	250,000
In more than two years but not more than five years	750,000	503,583	750,000	750,000
In more than five years	2,250,000	3,013,368	2,250,000	2,500,000
	<u>3,500,000</u>	<u>3,750,000</u>	<u>3,500,000</u>	<u>3,750,000</u>
Less included in creditors amounts falling due within one year	250,000	106,257	250,000	250,000
	<u>3,250,000</u>	<u>3,643,743</u>	<u>3,250,000</u>	<u>3,500,000</u>

The loans falling due in more than five years have annual capital repayment terms agreed by the Group's bankers. The rate of interest on these loans is fixed. The bank loan is secured against the assets held within the company's subsidiary holdings.

The company has provided a cross-guarantee to the company's bankers in respect of all group company's overdraft and borrowing facilities. If other Companies in the Group were to default on their overdraft arrangements then Heritage Great Britain would be liable for any outstanding liabilities. The net position of the Group on 31 January 2010 was £201,371 positive (2009 £615,304 overdrawn).

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Notes to the financial statements

At 31 January 2010

17. Accruals and deferred income

	<i>Group</i> £
Welsh Tourist Board Grant	
At 1 February 2009	59,011
Released in the year	(10,000)
At 31 January 2010	<u>49,011</u>

18. Provisions for liabilities and charges

<i>Group</i>	<i>Deferred taxation</i> £	<i>Other provisions</i> £	<i>Total</i> £
At 1 February 2009	79,861	299,126	378,987
Charge for the year	-	63,202	63,202
Released/utilised in the year	93,953	(91,698)	2,255
At 31 January 2010	<u>173,814</u>	<u>270,630</u>	<u>444,444</u>

<i>Company</i>	<i>Other provisions</i> £	<i>Total</i> £
At 1 February 2009	299,126	299,126
Charge for the year	63,202	63,202
Released/utilised in the year	(91,968)	(91,968)
At 31 January 2010	<u>270,630</u>	<u>270,360</u>

Deferred taxation

The amounts provided for deferred taxation are set out below

<i>Group</i>	<i>2010</i> £	<i>2009</i> £
Differences between accumulated depreciation and capital allowances	187,174	93,221
Other timing differences	(13,360)	(13,360)
	<u>173,814</u>	<u>79,861</u>

Notes to the financial statements

At 31 January 2010

Other provisions

The Group's insurance cover provides for a certain amount of excess on any claims. The Group provides for these amounts and other uninsured losses on incidents when notified. The amount provided for each incident is based on advice from professional advisers. The claims are expected to be settled within one year of the balance sheet date.

19. Share capital

	2010 £	2009 £
Authorised 7,000,000 (2009 7,000,000) ordinary shares of £1 each	7,000,000	7,000,000
Allotted, called up and fully paid 5,213,371 (2009 5,213,371) ordinary shares of £1 each	5,213,371	5,213,371

20. Reserves

	Group profit and loss account £	Company profit and loss account £
At 1 February 2009	776,319	(263,911)
Retained Profit for the year	145,804	313,501
Actuarial (loss) on pension scheme	(284,050)	-
At 31 January 2010	638,073	49,590

In accordance with s230(4) Companies Act 2006 no profit and loss account has been presented for the company

21. Reconciliation of movements in equity shareholders' funds

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Opening equity shareholders' funds	5,989,690	5,888,560	4,949,460	5,065,731
Profit for the financial year	145,804	(47,000)	313,501	(116,271)
Actuarial (loss)/gain on pension scheme	(284,050)	148,200	-	-
Closing equity shareholders' funds	5,851,444	5,989,760	5,262,961	4,949,460

Notes to the financial statements

At 31 January 2010

22. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	<i>Group</i>		<i>Company</i>	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire				
Within one year – other	11,369	28,217	380	5,508
Within one year-land and buildings	-	-	-	-
In two to five years - other	65,280	50,205	4,105	12,542
In two to five years - land and buildings	62,266	78,258	28,193	40,123

23. Capital Commitments

Amounts contracted for but not provided in the accounts amount to nil (2009 £190,376)

24. Reconciliation of operating profit to net cash inflow from operating activities

	2010	2009
	£	£
Operating Profit/(loss)	504,857	(282,793)
Depreciation	570,866	562,593
Amortisation of goodwill	13,763	13,763
Actuarial gain / (loss) on pension scheme	(284,050)	148,200
Decrease in stocks	22,879	48,192
Decrease in debtors	21,890	58,778
Increase/(Decrease) in creditors	570,671	(225,947)
Increase/(Decrease) in other provisions	208,404	(184,346)
Net cash inflow/(outflow) from operating activities	1,629,280	138,440

25. Reconciliation of net cash flow to movement in net debt

	2010	2009
	£	£
(Decrease)/Increase in cash in the year	759,238	(555,750)
Cash decrease from increase in net debt and lease financing	19,190	(68,894)
Movement in net debt resulting from cash flows	778,428	(624,644)
Net debt at 1 February 2009	(5,044,286)	(4,419,642)
Net debt at 31 January 2010	(4,265,858)	(5,044,286)

Notes to the financial statements

At 31 January 2010

26. Analysis of changes in net debt

	<i>At 1 February 2009 £</i>	<i>At Cash flows £</i>	<i>Other movements £</i>	<i>At 31 January 2010 £</i>
Cash at bank and in hand	83,093	67,098	-	150,191
Bank overdraft	(692,140)	692,140	-	-
Liquid resources	(609,047)	759,238	-	150,191
Short term loans	(250,000)	250,000	(250,000)	(250,000)
Long term loans	(3,600,000)	65,000	-	(3,535,000)
Finance leases	(335,239)	(295,810)	-	(631,049)
Net Debt	(4,794,286)	778,428	(250,000)	(4,265,858)

27. Pension scheme

The company operates a pension scheme providing benefits based on final pensionable pay funded by payment of contributions to a separately administered fund. Until 31 May 2001 all members' benefits have been accrued in this Scheme, after this date members benefits have not been accrued in the Scheme and from 1 June 2001 the Trustees have directed all members contributions into a newly established money purchase scheme operated by a different scheme administrator which has continued the rights for existing members. For the foreseeable future the Employer Company will continue to make employer contributions into the current Scheme to meet the minimum funding requirements as advised by the Scheme actuaries. The Scheme is now closed to new members and under the projected unit method the current service cost to the company will increase as the members of the Scheme approach retirement.

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

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation and updated by the actuary at 30 January 2010 using the following assumptions:

	2010	2009	2008	2007
Rate of increase in salaries	5.60%	5.30%	6.60%	6.40%
Rate of increase in pensions in payment for service from and including 6 April 1997	3.20%	3.10%	3.20%	3.10%
Discount rate	5.50%	6.90%	6.10%	5.30%
Inflation rate	3.60%	3.30%	3.60%	3.40%
Rate of increase of deferred pensions in excess of GMP	3.60%	3.30%	3.60%	3.40%

The assets of the Pension Scheme valued below are in the form of an insurance policy invested in a with-profits and unit-linked money fund with the Equitable Life Assurance Society, a Trustee Investment Plan with Zurich, an Investment Account with Sterling and a bank account held by the Trustee. The value of assets held in the with-profits fund has been taken as the policy value on 31 January 2010, which broadly represents the policy's share of assets in the with-profits fund. The value of assets held in the unit linked money fund has been taken as the value of units at bid price on 31 January 2010. The value of the other assets is the value held with the provider. The value shown is not the value that would have been available.

Notes to the financial statements

At 31 January 2010

to provide contractual benefits nor is it necessarily the value that would be available were the policy to be surrendered

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

	Long term rate of return expected at 31 Jan 2010	Value at 31 Jan 2010 £	Long term rate of return expected at 31 Jan 2009	Value at 31 Jan 2009 £	Long term rate of return expected at 31 Jan 2008	Value at 31 Jan 2008 £
With Profits Fund – Equitable Life	4.7%	182,557	5.10%	228,390	5.10%	236,400
Unit Linked Money fund – Equitable Life	0%	37,126	1.0%	36,681	5.0%	35,800
Trustees bank account	0%	1,819	1.0%	1,834	5.0%	1,400
Trustee Investment Plan – Zurich Assurance	6.9%	88,195	7.4%	72,814	6.6%	86,200
Investment Account – Sterling	6.2%	208,478	7.0%	134,685	6.4%	107,000
Total Market Value of Investments		518,175		474,400		466,800
Actuarial Valuation of Liabilities		978,875		688,200		850,200
Deficit in the scheme		(460,700)		(213,800)		(383,400)

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

Analysis of amounts charged to operating profit

	2010 £	2009 £
Current service cost	-	-
Past service cost	-	-
Losses/(gains) on settlements or curtailments	-	-
Total operating charge	-	-

Analysis of amounts credited to other finance costs

	2010 £	2009 £
Expected return on pension scheme assets	25,900	28,100
Interest on pension scheme liabilities	(45,000)	(51,700)
Net cost	(19,100)	(23,600)

Notes to the financial statements

At 31 January 2010

27. Pension scheme (continued)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	2010 £	2009 £
Actual return less expected return on pension scheme assets	23,200	(65,500)
Experience gains and losses arising on the scheme liabilities	(11,400)	(5,100)
Changes in assumptions underlying the present value of the scheme liabilities	(295,850)	218,800
Actuarial gain recognised in STRGL	(284,050)	148,200
Movement in surplus/(deficit) during the year	2010 £	2009 £
Deficit in the scheme at the beginning of the year	(213,800)	(383,400)
Movement in the year		
- Employers contributions	56,250	45,000
- Other finance costs	(19,100)	(23,600)
- Actuarial gain	(284,050)	148,200
Deficit in the scheme at the end of the year	(460,700)	(213,800)

The company has been in ongoing consultation with its professional advisors in relation to the deficit of the Scheme and in particular, the appropriate method to address the deficit. Accordingly the company has agreed with the Trustee to increase contributions to £60,000 per annum for the next three years.

History of experience gains and losses

	2010	2009	2008	2007
Difference between the expected and actual return on scheme assets				
- amount	£23,200	(£65,500)	(£20,900)	£5,600
- percentage of scheme assets	(4%)	13%	(4.5%)	1.3%
Experience gains and losses on scheme liabilities				
- amount	£11,400	£5,100	(£35,800)	£5,800
- percentage of the present value of scheme liabilities	1%	0.7%	(4.2%)	0.7%
Total amount recognised in STRGL				
- amount	£284,050	£148,200	£50,200	£121,300
- percentage of PV of scheme liabilities	47%	21%	5.9%	(13.9%)

Notes to the financial statements

At 31 January 2010

28. Related party transactions

Significant related party transactions are detailed below. The directors have taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Disclosure" not to disclose transactions with other members of the Heritage Great Britain PLC group on the grounds that these are eliminated on consolidation.

- 1) The company provided certain management and accounting services to Lightwater Valley Attractions Limited during the year amounting to £162,000 (on normal commercial terms). There was no balance outstanding at the year end. Mr A J S Leech, Mr P M Treherne and Mr DCS Westgate are directors of Lightwater Valley Attractions Limited.
- 2) The Group, through one of its subsidiaries, Centrix Q2 Limited, provided advertising and marketing services to Lightwater Valley Attractions Limited during the year amounting to £112,229 (on normal commercial terms). There was a balance of £19,745 outstanding at the year end.
- 3) A balance of £9,007 remains outstanding at the year end from work conducted by Centrix Q2 Limited for Brice Media PLC in 2007, 2008 & 2009. The work was derived from La Vignette Limited (a company invested into by the Family Trust based in Jersey of which Mr A J S Leech is also a beneficiary). The work was instructed by the Chief Executive of Brice Media PLC. Mr P McAleavy and Mr J Bracken became non-executive directors and received share interests in Brice Media PLC in June 2008 subsequent to the work being carried out. Mr P McAleavy and Mr J Bracken have not taken an active role or any remuneration at this time. In order to clear this debt, Brice Media arranged for the issue of shares in Electronic Gaming Card Inc; however the Board did not agree to this settlement. The share certificate issued included a 6 months sale restriction. Since the year end, the shares of Electronic gaming Card Inc have been suspended. This debt has been provided for in full at the year end.
- 4) During the year the Company loaned £100,000 to La Vignette Ltd (a company invested into by the Family Trust based in Jersey of which Mr A J S Leech is also a beneficiary). At the year end £35,000 was outstanding. The Company has a charge over a classic car as security for this debt.
- 5) During the year certain classic cars were sold on behalf of Heritage Attractions Ltd by (La Vignette Limited (a Company invested into by the Family Trust based in Jersey of which Mr A J S Leech is also a beneficiary). In addition a contribution towards the upkeep of cars which La Vignette owns was made to the Company. The net sale proceeds for the cars amounted to £39,450 and the contribution to the upkeep amounted to £25,500. These balances were settled before the year end via a reduction in a loan balance between Heritage Great Britain PLC and Glen Investments Ltd (another Trust Company also based in Jersey).

29. Ultimate controlling party

The entire share capital of Heritage Great Britain PLC is wholly owned by a Jersey company, Cherberry Limited. Cherberry Limited is wholly owned by the Trustees of a settlement. In the opinion of the directors, there is no single individual or entity that can or does exercise ultimate control, as defined under FRS8, over that company.