Registered number
02808359

Heritage Great Britain PLC

Annual Report and Consolidated Financial Statements

For the year ended
31 January 2014

Registered No: 02808359

Contents **Page**

Registered No: 02808359

Company information

Directors
P M Johnson-Treherne
A J S Leech

Secretaries
G Johnson
P M Johnson-Treherne

Auditors
KPMG LLP
8 Princes Parade
Liverpool
L3 1QH

Bankers
Santander UK PLC
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors
Salehs LLP
748 Wilmslow Road
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Manchester
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Registered Office
Suite 37
The Colonnades
Albert Dock
Liverpool
L3 4AA

Strategic report

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 holiday accommodation in Scotland through a joint venture. The group also operates a marketing agency in Manchester, CQ2 Limited.

Business model

Heritage Attractions Limited is a subsidiary company, which 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. The Needles Park welcomes visitors to the Isle of Wight's famous lighthouse and Needles rocks.

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 attraction's 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 to improve the overall profitability of each asset.

Continued acquisitions – The Group has a continued interest in available visitor attractions within the tourism market where visitor numbers exceed 100,000 pa.

The Group's subsidiary CQ2 is a North West based full service marketing design agency with a philosophy to provide clients with a service that combines vast experience and creativity.

Business review and results

The results for the year are set out on page 9. The Directors are pleased with the results for the year. An emphasis is placed on offering customers value for money and this was reflected in our marketing campaigns through the year. The Group profit for the year, after taxation, amounted to £362,083 (2013: £667,165). The directors do not recommend the payment of a dividend (2013: £nil).

Heritage Attractions Limited saw a slight decrease in turnover and operating profit compared to the 2012 operating season. This was mainly due to an early Easter, and snow on the summit affecting trains at Snowdon. Trains were unable to travel to the summit until 4 May in 2013, compared to 31 March in 2012.

During 2013, substantial investment took place in new carriages at Snowdon and therefore with a new heritage steam carriage provided a unique and enhanced visitor experience at the railway. Investment also took place on a new 4D cinema at Needles Park.

CQ2 Limited this year saw a significant increase in turnover compared to 2013 as the company won a number of new contracts towards the end of the year. A balance of £162,894 outstanding relating to these new contracts remained outstanding at the year end. Since the year end £14,970 has been received towards this bad debt, and hence the balance of £147,924 has been provided for in accordance with the company's debt provisioning policy. The directors have received confirmation from the principals of the customers related to these debts that the debt remains payable in full and will be cleared once those companies have received funds from public floatations. This is anticipated in the fourth quarter of 2014.

Strategic report

Key performance indicators

The directors consider visitor numbers and spend per head within Heritage Attractions Limited to be key performance indicators.

Overall there was a decrease in visitor numbers of 3.4% compared to prior year, and an increase in spend per head of 7.4% compared to prior year.

As previously noted the early Easter and poor weather conditions resulted in a slight drop in visitor numbers, however spend per head increased at every site.

In CQ2 Limited the company's key performance indicators are to maintain strong margins and an increase in revenue year on year through constantly seeking new clients and client retention. There was an increase in turnover of 26.7% compared to prior year, and an increase in gross margin of 31.9% compared to prior year.

Future developments

For Heritage Attractions Limited the weather during the main 2013 season was stable, however the early Easter holiday period in 2013, coupled with snow, led to disappointing visitor numbers in that period; an impact felt by most businesses in the industry. The directors see the standardisation of school holidays for April 2015 as a positive indicator for the future.

CQ2 Limited seeks to grow its client portfolio and maintain a strong edge in an ever growing technological market.

This report was approved by the board on 15 July 2014 and signed by its order.

P M Johnson-Treherne
Director

15 July 2014

Registered office
Suite 37
The Colonnades
Albert Dock
Liverpool
L3 4AA

Directors' report

The directors present their report and the audited consolidated financial statements of Heritage Great Britain PLC for the year ended 31 January 2014.

Directors and their interests

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

P M Johnson-Treherne
A J S Leech

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.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the Board

G Johnson
Company Secretary

15 July 2014

Registered office
Suite 37
The Colonnades
Albert Dock
Liverpool
L3 4AA

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the strategic report, 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report 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 2014 set out on pages 9 to 34. 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 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 director and auditor

As explained more fully in the directors' responsibilities, as 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. Our responsibility is to audit, and express opinion on, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 31 January 2014 and the group's 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Heritage Great Britain PLC

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 by the parent company, 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.

Nicola Quayle

Nicola Quayle
(Senior Statutory Auditor)
for and on behalf of
KPMG LLP
Statutory Auditor

8 Princes Parade
Liverpool
Merseyside
L3 1QH

15 July 2014

Consolidated profit & loss account

For the year ended 31 January 2014

	Notes	2014 £	2013 £
Turnover: Group and share of joint ventures		11,585,573	11,551,119
Less: share of joint ventures		(24,619)	(3,894)
	2	11,560,954	11,547,225
Cost of sales		(3,258,866)	(3,159,521)
Gross profit		8,302,088	8,387,704
Administrative expenses - normal		(7,646,847)	(7,570,779)
Administrative expenses - exceptional (relating to bad debts)	3	(147,924)	-
Other operating income	4	114,381	118,850
Group Operating profit		621,698	935,775
Share of operating loss in joint ventures		(20,873)	(22,335)
Total Operating Profit		600,825	913,440
Interest receivable and similar income:			
Group	5	11,583	26,392
Share of joint ventures	5	3	-
Interest payable and similar charges:			
Group	6	(243,003)	(243,720)
Share of joint ventures	6	(5,092)	(85)
Profit on ordinary activities before taxation	7	364,316	696,027
Taxation	10	(2,233)	(28,862)
Retained profit for the financial year	20	362,083	667,165

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents. All amounts relate to continuing operations.

Statement of total recognised gains and losses

For the year ended 31 January 2014

	Notes	2014 £	2013 £
Profit for the year – Group		362,083	667,165
Gain on transfer of assets to joint ventures		-	37,851
Actuarial gain/(loss) on pension scheme	26	17,460	(45,803)
Deferred tax on actuarial gain/(loss)		(3,667)	10,535
Total recognised gains and losses relating to the year		375,876	669,748

The notes on pages 13-34 form an integral part of the financial statements.

Consolidated balance sheet

At 31 January 2014

Registered number: **02808359**

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	11	11,709,735	11,707,905
Intangible assets	12	73,405	87,168
		11,783,140	11,795,073
Investments in joint ventures			
Share of gross assets		193,457	574,007
Share of gross liabilities		(88,405)	(442,993)
		105,052	131,014
Current assets			
Stocks	14	596,452	662,544
Debtors - including amounts due after more than one year £299,074 (2013: £200,000)	15	1,294,039	710,302
Cash at bank and in hand		926,241	996,306
		2,816,732	2,369,152
Creditors: amounts falling due within one year	16	(2,239,378)	(2,327,555)
Net current assets		577,354	41,957
Total assets less current liabilities		12,465,546	11,967,684
Creditors: amounts falling due after more than one year	17	(3,312,617)	(2,892,229)
Provisions for liabilities and charges excluding pension scheme deficit	18	(317,369)	(551,255)
Net assets excluding pension scheme deficit		8,835,560	8,524,200
Pension scheme deficit	26	(57,042)	(121,558)
Net assets including pension scheme deficit		8,778,518	8,402,642
Capital and reserves			
Called up share capital	19	5,213,371	5,213,371
Profit and loss account	20	3,565,147	3,189,271
Equity shareholders' funds	21	8,778,518	8,402,642

The notes on pages 13-34 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 15 July 2014 and were signed on its behalf by:

P M Johnson-Treherne
Director

Company balance Sheet

For the year ended 31 January 2014

Registered number:
02808359

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	11	22,842	27,601
Investments	13	12,585,037	12,585,037
		12,607,879	12,612,638
Investments in joint ventures			
Tangible assets	13	115,583	115,583
Current assets			
Debtors – including amounts due after more than one year £299,074 (2013: £nil)	15	698,055	176,287
Cash at bank and in hand		742,017	774,957
		1,440,072	951,244
Creditors: amounts falling due within one year	16	(5,211,310)	(5,138,073)
Net current liabilities		(3,771,238)	(4,186,829)
Total assets less current liabilities		8,952,224	8,541,392
Creditors: amounts falling due after more than one year	17	(3,302,617)	(2,785,000)
Provisions for liabilities and charges	18	-	(264,296)
		5,649,607	5,492,096
Capital and reserves			
Called up share capital	19	5,213,371	5,213,371
Profit and loss account	20	436,236	278,725
Equity shareholders' funds	21	5,649,607	5,492,096

The notes on pages 13-34 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 15 July 2014 and were signed on its behalf by:

P M Johnson-Treherne
Director

Consolidated cash flow statement

For the year ended 31 January 2014

	Notes	2014 £	2013 £
Net cash inflow from continuing operating activities	23	590,775	1,142,191
Returns on investments and servicing of finance			
Interest received and similar income		11,583	26,392
Interest paid on bank loans and overdrafts		(194,295)	(231,444)
Interest element of finance lease rental payments		(46,095)	(12,276)
		(228,807)	(217,328)
Taxation			
Corporation tax paid		(160,594)	(143,998)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(545,364)	(1,671,985)
Receipts from sales of tangible fixed assets		19,060	5,000
		(526,304)	(1,666,985)
Net cash outflow before financing		(324,930)	(886,120)
Financing			
Movement of short-term loans	25	(750,000)	250,000
Movement of finance leases	25	814,854	(99,641)
Decrease in cash in the year	24	(260,076)	(735,761)

The notes on pages 13-34 form an integral part of the financial statements.

Notes to the financial statements

At 31 January 2014

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. 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 Heritage Great Britain PLC and all its subsidiary undertakings drawn up to 31 January 2014. No profit and loss account is presented for Heritage Great Britain PLC as permitted by section 408 of the Companies Act 2006.

Going concern

The directors have considered the group and company's projected future cash flows, working capital requirements and its banking facilities, and are confident that they have sufficient cash flows to meet their working capital requirements for the next 12 months. For the reasons noted, the Directors continue to prepare the financial statements on a going concern basis.

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 accoutred 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.

Notes to the financial statements

At 31 January 2014

Accounting policies (continued)

Turnover

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

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%

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.

Notes to the financial statements

At 31 January 2014

Accounting policies (continued)

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 £124,054 (2013: £125,978). There are no contributions payable at the period end.

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. In accordance with FRS17, the service cost of pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the profit and loss account. A charge equal to the increase in the present value of the scheme liabilities and a credit equivalent to the company's long-term expected return on assets (based on the market value of the scheme assets at the start of the period), are included in the profit and loss account.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability in the balance sheet. Deferred tax assets on the pension liability are recognised to the extent that they are considered recoverable. Any difference between the expected return on assets and that actually achieved is recognised in the statement of total recognised gains and losses along with differences which are from experience gains and losses and changes of assumptions. Further information on the pension arrangements is set out in Note 26 to the accounts.

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:

	2014	*2013*
	£	*£*
By activity:		
Attractions and admissions	4,402,762	4,582,720
Retailing	2,907,744	2,991,285
Catering, hotel and bar	3,383,156	3,319,378
Marketing and advertising	522,655	334,825
Other revenue	344,637	319,017
	11,560,954	11,547,225

3. Administrative expenses – exceptional (relating to bad debts)

	2014	*2013*
	£	*£*
Bad debts	147,924	-

During the year the company provided marketing and advertising services to various companies in Asia amounting to £162,894. The full balance was outstanding at the year end. Since the year end £14,970 has been received towards this bad debt, and hence the balance of £147,924 has been provided for in accordance with the company's debt provisioning policy.

Notes to the financial statements

At 31 January 2014

4. Other operating income

	2014	2013
	£	£
Rental income	114,381	118,850
	114,381	118,850

5. Interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	11,583	26,392
	11,583	26,392
Share of joint ventures	3	-

6. Interest payable and similar charges

	2014	2013
	£	£
Bank loans and overdrafts	194,295	223,364
Finance lease charges payable under finance leases and hire purchase contracts	46,095	12,276
	240,390	235,640
Expected return on pension scheme assets (note 26)	(41,973)	(33,944)
Interest on pension scheme liabilities (note 26)	44,586	42,024
	2,613	8,080
	243,003	243,720
Share of joint ventures	5,092	85

Notes to the financial statements

At 31 January 2014

7. Profit on ordinary activities before taxation

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

	2014	*2013*
	£	*£*
Depreciation of tangible fixed assets - owned	469,377	459,937
Depreciation of tangible fixed assets - leased	71,953	50,924
Operating lease rentals - plant and machinery	57,279	69,200
Operating lease rentals - land and buildings	44,882	46,937
Loss on disposal of fixed assets	15,580	40,391
Amortisation of goodwill	13,763	13,763
Auditor's remuneration:		
Auditors' remuneration of these financial statements	17,920	17,299
Other services relating to taxation	4,480	4,697
Other services pursuant to such legislation	3,200	2,185
Government grant - release of deferred income	(14,000)	(10,000)

8. Emoluments of directors

	2014	*2013*
	£	*£*
Aggregate emoluments (including benefits in kind)	182,133	192,016
Pension contributions to a money purchase scheme	38,991	39,319
	221,124	231,335

	2014	2013
	£	£
Highest paid director	110,757	115,672

	2014	*2013*
	No.	*No.*
Retirement benefits are accruing to the following number of directors under:		
Money purchase pension schemes	2	2

Notes to the financial statements

At 31 January 2014

9. Employee information

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

	2014	*2013*
	No.	*No.*
Management and administration	44	43
Retail, catering and other	154	163
	198	206

	2014	*2013*
	£	*£*
Staff costs for the above persons:		
Wages and salaries	4,019,588	4,039,328
Social security costs	287,733	302,035
Pension costs	124,054	125,978
	4,431,375	4,467,341

10. Tax on loss on ordinary activities

a) Analysis of tax charge in period

	2014	*2013*
	£	*£*
Current tax:		
UK corporation tax on profit for the year	15,430	118,693
Adjustments in respect of prior periods	(65,656)	(46,411)
Total current tax (note 10b)	(50,226)	72,282
Deferred tax:		
Origination and reversal of timing differences	71,387	105,333
Adjustments in respect of prior periods	(4,080)	(107,188)
Effect of tax rate change on opening balance	(32,161)	(15,791)
Adjustment in respect of defined benefit pension scheme	17,313	(25,774)
Total deferred tax (note 18)	52,459	(43,420)
Tax on profit on ordinary activities	2,233	28,862

Notes to the financial statements

At 31 January 2014

10. Tax on loss on ordinary activities (continued)

b) Factors affecting tax charge for the year

	2014 £	*2013* £
Profit on ordinary activities before tax	364,316	696,027
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.17% (2013: 24.33%)	84,412	167,446
Effects of:		
Expenses not deductible for tax purposes	7,352	65,914
Differences between capital allowances and depreciation	(80,197)	(71,440)
Group relief claimed	(43,749)	(43,227)
Adjustment in respect of previous periods	(65,656)	(46,411)
Marginal relief claimed	(2,362)	-
Other timing differences	49,974	-
Current tax charge for the year (note 10a)	(50,226)	72,282

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements

At 31 January 2014

11. Tangible fixed assets

Group

	Land and buildings	*Railway line and rolling stock*	*Plant and machinery*	*Motor vehicles*	*Fixtures and fittings*	*Total*
	£	*£*	*£*	*£*	*£*	*£*
Cost:						
At 1 February 2013	10,407,247	3,093,198	2,691,669	136,191	2,759,575	19,087,880
Reclassification	122,359	(122,359)	(23,775)	-	23,775	-
Additions	756	349,070	94,625	25,000	75,913	545,364
Disposals	(2,204)	-	-	(25,000)	-	(27,204)
At 31 January 2014	10,528,158	3,319,909	2,762,519	136,191	2,859,263	19,606,040
Depreciation:						
At 1 February 2013	2,664,054	524,462	1,868,687	132,858	2,189,914	7,379,975
Reclassification	-	-	(13,358)	-	13,358	-
Charge for the year	205,639	59,106	148,410	1,250	126,925	541,330
Disposals	-	-	-	(25,000)	-	(25,000)
At 31 January 2014	2,869,693	583,568	2,003,739	109,108	2,330,197	7,896,305
Net book value:						
At 31 January 2014	7,658,465	2,736,341	758,780	27,083	529,066	11,709,735
At 31 January 2013	7,743,193	2,568,736	822,982	3,333	569,661	11,707,905

Fixed assets with a net book value of £1,351,165 (2013: £364,958) which are held under finance leases are included above. The depreciation charge for assets held under a finance lease amounted to £71,953 (2013: £50,924).

The net book value of land and buildings comprises:

	2014	*2013*
	£	*£*
Freehold	7,658,465	7,743,193
	7,658,465	7,743,193

Notes to the financial statements

At 31 January 2014

11. Tangible fixed assets (continued)

Company	*Total*
	£
Cost:	
At 1 February 2013	119,829
Additions	3,893
At 31 January 2014	123,722
Depreciation:	
At 1 February 2013	92,228
Charge for the year	8,652
At 31 January 2014	100,880
Net book value:	
At 31 January 2014	22,842
At 31 January 2013	27,601

12. Intangible fixed assets

	Goodwill
	£
Cost:	
At 1 February 2013 and 31 January 2014	301,502
Amortisation:	
At 1 February 2013	214,334
Amortised in the year	13,763
At 31 January 2014	228,097
Net book value:	
At 31 January 2014	73,405
At 31 January 2013	87,168

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 2014

13. Investments

Company

	2014	2013
	£	£
Cost and NBV		
At 1 February	12,585,037	12,585,037
At 31 January	12,585,037	12,585,037

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

	Principal activity	Class and percentage of shares held
Heritage Attractions Limited	Operation of various landmark day visitor attractions	100% ordinary
CQ2 Limited	Marketing, advertising, design and production	100% ordinary
Snowdon Mountain Railway Limited	Dormant	100% ordinary
The Land's End and John O'Groats Company Limited	Dormant	100% ordinary
LEJOG Limited	Dormant	100% ordinary

The company also has a controlling interest in two dormant companies registered in England and Wales, via the intermediary subsidiary company, Heritage Attractions Limited.

	Principal activity	Class and percentage of shares held
Lands End Limited	Dormant	100% ordinary
John O'Groats Limited	Dormant	100% ordinary

Notes to the financial statements

At 31 January 2014

Joint Venture Investments

The company entered into a new joint venture (End to End Limited) in the year with the Natural Retreats group. The company now has a total of four joint ventures with the Natural Retreats group with a total investment of £115,583 (2013: £115,583).

The joint ventures are all registered in England and Wales, with 31st March accounting year ends:

	Principal activity	**Percentage ownership**
End to End Limited	End to Enders club facility	50% control
JOG Highlands LLP	Operation of luxury self-catering accommodation	50% control
JOG 2 Limited	Public realm development	50% control
JOG 3 LLP	Rental of retail and catering properties	50% control

14. Stocks

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Finished goods and goods for resale	283,913	333,288	-	-
Raw materials and spares	260,151	278,647	-	-
Catering and bar stocks	44,118	45,539	-	-
Work in progress	8,270	5,070	-	-
	596,452	662,544	-	-

15. Debtors

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Trade debtors	137,350	67,119	37,496	28,112
Other debtors	630,672	407,648	420,405	83,143
Amounts falling due from associate company	302,962	19,237	181,156	7,444
Prepayments and accrued income	223,055	216,298	58,998	57,588
	1,294,039	710,302	698,055	176,287

Total debtors include amounts owed from JOG 3 LLP of £200,000 (2013: £200,000), JOG 2 Limited of £89,074 (2013: £nil) and End to End Limited of £10,000 (2013: £nil) all amounts are due in more than one year.

Notes to the financial statements

At 31 January 2014

16. Creditors: amounts falling due within one year

	Group		Company	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Trade creditors	460,969	537,143	43,754	96,950
Bank overdraft	339,227	149,216	-	-
Loans	250,000	750,000	250,000	750,000
Corporation tax	152	37,053	-	-
Other taxation and social security	71,152	77,410	10,629	8,741
Obligations under finance leases and hire purchase contracts	257,558	113,092	148,580	-
Other creditors	284,609	284,638	211,858	212,083
Accruals and deferred income	270,700	209,992	115,806	99,176
Deferred grant income	305,011	169,011	-	-
Amounts owed to subsidiary companies	-	-	4,430,683	3,971,123
	2,239,378	2,327,555	5,211,310	5,138,073

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

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

	Group		Company	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Obligations under finance leases and hire purchase contracts	767,617	97,229	767,617	-
Loans – secured (see below)	2,250,000	2,500,000	2,250,000	2,500,000
Other creditors	295,000	295,000	285,000	285,000
	3,312,617	2,892,229	3,302,617	2,785,000

Obligations under finance leases and hire purchase contracts:

	Group		Company	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Amounts falling due:				
Within one year	257,558	113,092	148,580	-
Within two to five year	767,617	97,229	767,617	-
	1,025,175	210,321	916,197	-

Notes to the financial statements

At 31 January 2014

Details of the maturity of loans are as follows:

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Amounts falling due:				
In one year or less	250,000	750,000	250,000	750,000
In more than one year but not more than two years	250,000	250,000	250,000	250,000
In more than two years but not more than five years	750,000	750,000	750,000	750,000
In more than five years	1,250,000	1,500,000	1,250,000	1,500,000
	2,500,000	3,250,000	2,500,000	3,250,000

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 this loan is fixed at 5.45% by way of an interest rate swap. 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 PLC would be liable for any outstanding liabilities. The net position of the Group on 31 January 2014 was £687,014 positive (2013: £787,221 positive).

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

18. Provisions for liabilities and charges

Group	*Deferred taxation*	*Insurance provisions*	*Total*
	£	*£*	*£*
At 1 February 2013	286,959	264,296	551,255
Transferred to associate company	-	(264,296)	(264,296)
Utilised in the year	30,410	-	30,410
At 31 January 2014	317,369	-	317,369

Company	*Insurance provisions*	*Total*
	£	*£*
At 1 February 2013	264,296	264,296
Transferred to associate company	(264,296)	(264,296)
At 31 January 2014	-	-

Notes to the financial statements

At 31 January 2014

Deferred taxation

The amounts provided for deferred taxation are set out below:

Group	*2014*	*2013*
	£	£
Differences between accumulated depreciation and capital allowances	317,369	286,959
	317,369	286,959

19. Share capital

	2014	*2013*
	£	£
Allotted, called up and fully paid:		
5,213,371 (2013: 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 2013	3,189,271	278,725
Retained profit/(loss) for the year	362,083	(592,489)
Dividend received	-	750,000
Net actuarial gain on pension scheme	13,793	-
At 31 January 2014	3,565,147	436,236

Notes to the financial statements

At 31 January 2014

21. Reconciliation of movements in equity shareholders' funds

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Opening equity shareholders' funds	8,402,642	7,732,894	5,492,096	5,334,689
Profit/(loss) for the financial year	362,083	667,165	(592,489)	(592,593)
Share of joint ventures	-	37,851	-	-
Dividend received	-	-	750,000	750,000
Actuarial gain/(loss) on pension scheme	13,793	(35,268)	-	-
Closing equity shareholders' funds	8,778,518	8,402,642	5,649,607	5,492,096

22. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	Group		*Company*	
	2014	*2013*	*2014*	*2013*
	£	*£*	*£*	*£*
Operating leases which expire:				
Within one year - other	10,766	24,482	171	5,830
Within one year - land and buildings	2,458	3,392	2,458	-
In two to five years - other	24,824	31,977	3,672	7,998
In two to five years - land and buildings	14.861	29,500	-	29,500

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

	2014	*2013*
	£	*£*
Operating profit	600,825	913,440
Depreciation	541,330	510,861
Amortisation of goodwill	13,763	13,763
Share of loss in joint venture	25,962	22,335
Decrease/(increase) in stocks	66,092	(147,434)
Increase in debtors	(583,737)	(112,832)
Increase/(decrease) in creditors	113,369	(52,215)
(Decrease)/increase in other provisions	(135,508)	10,738
Loss on sale of tangible assets	17,784	40,391
Gain on investment	-	15,431
Adjustment in respect of defined benefit pension scheme	(69,105)	(72,287)
Net cash inflow from operating activities	590,775	1,142,191

Notes to the financial statements

At 31 January 2014

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

	2014 £	*2013* £
Decrease in cash in the year	(260,076)	(735,761)
Cash inflow from increase in net debt and lease financing	(64,854)	(150,359)
Movement in net debt resulting from cash flows	(324,930)	(886,120)
Net debt at 1 February 2013	(2,898,231)	(2,012,111)
Net debt at 31 January 2014	(3,223,161)	(2,898,231)

25. Analysis of changes in net debt

	At 1 February 2013 £	*Cash flows* £	*Other movements* £	*At 31 January 2014* £
Cash at bank and in hand	996,306	(70,065)	-	926,241
Bank overdraft	(149,216)	(190,011)	-	(339,227)
	847,090	(260,076)	-	587,014
Short term loans	(750,000)	750,000	(250,000)	(250,000)
Long term loans	(2,785,000)	-	250,000	(2,535,000)
Finance leases	(210,321)	(814,854)	-	(1,025,175)
Net Debt	(2,898,231)	(324,930)	-	(3,223,161)

Notes to the financial statements

At 31 January 2014

26. 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 funding requirements as advised by the Scheme actuary.

The most recent valuation was at 5 April 2011. As a result of this valuation the Employer Company agreed to pay contributions of £71,718 per annum from February 2012 in order to achieve a fully funded position in approximately 4 years. This will be reviewed at the next actuarial review.

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation and updated by the actuary at 31 January 2014 using the following assumptions:

	2014	2013
Rate of increase in salaries	3.68%	3.72%
Rate of increase in pensions in payment for service from and including 6 April 1997	2.96%	2.99%
Discount rate	4.23%	4.31%
Pension increases (maximum 5%) -RPI	3.18%	3.22%
Deferred pension increases (maximum 5%) – CPI	2.48%	2.72%
Rate of increase of deferred pensions in excess of GMP	2.48%	2.72%

At 31 January 2014 mortality rates have been assumed to be in line with the standard tables "SAPS", medium cohort, year of birth projection with a minimum annual reduction in the mortality rate of 1.00% per annum. This is the same assumption as adopted for the 31 January 2013 disclosures.

Notes to the financial statements

At 31 January 2014

26. Pension scheme (continued)

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 Legal and General and a bank account held by the Trustee. The value of assets held in the with-profits fund has been taken as the surrender value on 31 January 2014, which broadly represents the policy's realisable value on 31 January 2014. 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 2014. The value of the other assets is the value held with the provider.

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

	Long term rate of return expected at 31 Jan 2014	Value at 31 Jan 2014 £	Long term rate of return expected at 31 Jan 2013	Value at 31 Jan 2013 £	Long term rate of return expected at 31 Jan 2012	Value at 31 Jan 2012 £
With Profits Fund – Equitable Life		210,796		206,663		202,611
Unit Linked Money fund – Equitable Life		37,280		37,288		37,241
Trustees bank account		1		1		1
Investment Account – Legal & General		745,410		638,233		495,458
Total Market Value of Investments	4.70%	993,487	4.60%	882,185	4.40%	735,311

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

Notes to the financial statements

At 31 January 2014

26. Pension scheme (continued)

Analysis of amounts charged to operating profit	*2014*	*2013*
	£	£
Current service cost	-	-
Past service cost	-	-
Losses/(gains) on settlements or curtailments	-	-
Total operating charge	-	-

Analysis of amounts credited to other finance costs	*2014*	*2013*
	£	£
Expected return on pension scheme assets	41,973	33,944
Interest on pension scheme liabilities	(44,586)	(42,024)
Net cost	(2,613)	(8,080)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	*2014*	*2013*
	£	£
Actual return less expected return on pension scheme assets	8,774	40,643
Experience gains and losses arising on the scheme liabilities	8,686	(86,446)
Actuarial gain or (loss) recognised in STRGL	17,460	(45,803)

Actuarial gains on the scheme liabilities	*2014*	*2013*
	£	£
Liabilities at beginning of period	1,040,052	911,582
Interest cost	44,586	42,024
Benefits and expenses paid	(11,164)	-
Actuarial (gain)/loss on the Scheme liabilities	(8,686)	86,446
Liabilities at end of period	1,064,788	1,040,052

Movement in fair value of assets during the year	*2014*	*2013*
	£	£
Assets at beginning of period	882,185	735,311
Expected return on Scheme assets	41,973	33,944
Employer contributions	71,718	72,287
Benefits and expenses paid	(11,164)	-
Actual return less expected return on assets	8,774	40,643
Assets at end of period	993,486	882,185

Notes to the financial statements

At 31 January 2014

Movement in deficit during the year	*2014*	*2013*
	£	*£*
Deficit in the scheme at the beginning of the year	(157,867)	(176,271)
Movement in the year		
- Employers contributions	71,718	72,287
- Other finance costs	(2,613)	(8,080)
- Actuarial gain/(loss)	17,460	(45,803)
Deficit in the scheme at the end of the year	(71,302)	(157,867)
Related deferred tax asset	14,260	36,309
Net liability	**(57,042)**	**(121,558)**

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.

History of experience gains and losses

	2014	2013	2012	2011	2010
Difference between the expected and actual return on scheme assets	£	£	£	£	£
- amount	8,774	40,643	(2,269)	24,690	23,200
- percentage of scheme assets	1%	5%	(0.3%)	4%	(4%)
Experience gains and losses on scheme liabilities					
- amount	8,686	(86,446)	(23,717)	191,959	(307,300)
- percentage of the present value of scheme liabilities	1%	(8%)	(3%)	23%	31%
Total amount recognised in STRGL					
- amount	17,460	(45,803)	(25,986)	216,649	(284,100)
- percentage of the present value of scheme liabilities	2%	(4%)	(3%)	26%	29%
Present value of scheme liabilities	(1,064,788)	(1,040,052)	(911,582)	(840,781)	(978,900)
Fair value of scheme assets	993,486	882,185	735,311	633,998	518,200
Deficit	(71,302)	(157,867)	(176,271)	(206,783)	(460,700)

Notes to the financial statements

At 31 January 2014

27. 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 (2013: £162,000) on normal commercial terms. A balance of £48,600 (2013:£nil) was outstanding at the year end. During the year the company also received a contribution, on normal commercial terms, towards certain overhead costs which were borne by Heritage Great Britain PLC amounting to £166,171 (2013: £167,022). A balance of £56,647 (2013: £7,444) was outstanding at the year end. Mr A J S Leech and Mr P M Johnson-Treherne were directors of Lightwater Valley Attractions Limited at 31 January 2014.

2) The Group, through one of its subsidiaries, CQ2 Limited, provided advertising and marketing services to Lightwater Valley Attractions Limited during the year amounting to £248,827 (2013: £159,042) on normal commercial terms. There was a balance of £121,806 (2013: £11,793) outstanding at the year end.

3) During the year Lightwater Valley Attractions Limited made a contribution, on normal commercial terms, towards certain overhead costs incurred by the Company which amounted to £160,000 (2013: £23,976). There was a balance outstanding at the year end of £nil (2013: £240). Mr A J S Leech and Mr P M Johnson-Treherne were directors of Lightwater Valley Attractions Limited, at 31 January 2014

4) In a previous year the company received £10,000 from 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) as a contribution in the form of a loan towards various capital projects. The full £10,000 was outstanding at the year end (2013: £10,000).

5) The company has an outstanding loan due from 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) to the value of £75,000 (2013: £75,000).

6) When the group purchased the Lands End & John O'Groats Company in 1999, that company had an existing loan in place for £350,000 with Glen Investments Ltd which was to allow them to carry out certain capital expenditure projects. The balance of this loan at the year end was £285,000 (2013: £285,000). The loan is strictly repayable however the company has confirmation from Glen Investments Ltd that there will be no call for this in the foreseeable future. Glen Investments Ltd is controlled by the family Trust based in Jersey of which Mr A J S Leech is also a beneficiary.

7) During the year the group purchased various classic cars for a total value of £60,000 from La Vignette (a company invested into by the family Trust based in Jersey of which Mr A J S Leech is also a beneficiary) which were sold, along with Heritage Great Britain PLC own classic cars, at the same auction within the year. The group also purchased an additional classic car for the value of £25,000, which was not sold but is planned to be sold in 2014.

Notes to the financial statements

At 31 January 2014

28. 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.