

Fantasy Island Retail Limited

**Annual report and financial
statements**

Registered number 09986740

30 September 2017



Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the annual report and the financial statements	3
Independent auditor's report to the members of Fantasy Island Retail Limited	4
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

Company information

Directors

BR Cobb
EJ Mellors
JF Mellors
JH Mellors

Business address

Sea Lane
Ingoldmells
Skegness
Lincolnshire
PE25 1RH

Registered office

57 Front Street
Arnold
Nottingham
NG5 7EA

Auditor

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Directors' report

The directors present their report and the financial statements of the company for the period ended 30 September 2017.

Principal activities

The principal activity of the company during the period was the rental of market units in the Fantasy Island amusement park. The Company is a subsidiary company within the Mellors Group Fantasy Island Holdings group of companies which on 3 March 2016 acquired 100% of the trade and assets of Conduit Skegness Limited. The principal activity of the group was the operation of the Fantasy Island theme park, outdoor market and caravan parks.

Results and dividends

The profit for the period, after taxation, amounted to £2,132,000. Particulars of dividends paid are detailed in the notes to the financial statements.

Directors

The directors who served the company during the period were as follows:

BR Cobb
EJ Mellors
JF Mellors
JH Mellors

Disclosure of information to 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 auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors



EJ Mellors
Director

Approved by the directors on 28 June 2018

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Fantasy Island Retail Limited

Opinion

We have audited the financial statements of Fantasy Island Retail Limited ("the company") for the year ended 30 September 2017 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



Independent auditor's report to the members of Fantasy Island Retail Limited

(continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Mark Flanagan (*Senior Statutory Auditor*)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated: 28 June 2018

Profit and loss account
for year ended 30 September 2017

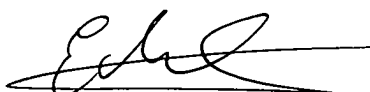
	<i>Note</i>	Year to 30 Sep 17 £000	Period to 30 Sep 16 £000
Turnover	2	3,549	2,657
Cost of sales		(378)	(330)
Gross profit		3,171	2,327
Administrative expenses		(1,045)	(248)
Operating profit and profit before taxation	3	2,126	2,079
Tax on profit	6	6	(416)
Profit for the financial period		2,132	1,663

There were no recognised gains or losses in either the current year or prior period other than the result shown above. Accordingly, no statement of other comprehensive income is presented.

Balance sheet
at 30 September 2017

	<i>Note</i>	2017		2016	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	7		53		-
Current assets					
Debtors	8	4,620		2,389	
Cash at bank and in hand		413		469	
		<u>5,033</u>		<u>2,858</u>	
Creditors: amounts falling due within one year	9	<u>(1,291)</u>		<u>(1,195)</u>	
Net current asset			<u>3,742</u>		
Net assets			<u>3,795</u>		<u>1,663</u>
Capital and reserves					
Called up share capital	11	-		-	
Profit and loss account		3,795		1,663	
Shareholders' funds		<u>3,795</u>		<u>1,663</u>	

These financial statements were approved by the board of directors on 28 June 2018 and were signed on its behalf by:



EJ Mellors
Director

Company registered number: 09986740

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 4 February 2016	-	-	-
Total comprehensive income for the period			
Profit for the period	-	1,663	1,663
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2016	-	1,663	1,663
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2016	-	1,663	1,663
Total comprehensive income for the period			
Profit for the period	-	2,132	2,132
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2017	-	3,795	3,795
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Fantasy Island Retail Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK. The registered number is 09986740 and the registered address is 57 Front Street, Arnold, Nottingham, NG5 7EA.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s parent undertaking, Mellors Group Fantasy Island Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Mellors Group Fantasy Island Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address given in note 11. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Mellors Group Fantasy Island Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The directors believe that the company will be able to maintain current trading volume without significant increase in the cost of so doing in the coming year. Consequently and in conjunction with the company’s existing financial resources the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to prepare annual financial statements on the going concern basis of accounts preparation.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.4. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6. Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

1.8. Turnover

Turnover represents amounts receivable from sales made during the year, net of value added tax.

1.9. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest payable

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.10. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

All turnover relates to the rendering of services derived from the United Kingdom.

3 Auditor's remuneration

	Year to 30 Sep 17 £000	Period to 30 Sep 16 £000
Audit of these financial statements	1	4

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Mellors Group Fantasy Island Holdings Limited.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	Year to 30 Sep 17	Period to 30 Sep 16
Operations	17	8
Management and administration	4	3
	<hr/>	<hr/>
	21	11
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	Year to 30 Sep 17 £000	Period to 30 Sep 16 £000
Wages and salaries	347	312
Social security costs	29	17
Contributions to defined contribution plans	2	1
	<hr/>	<hr/>
	378	330
	<hr/>	<hr/>

5 Directors' remuneration

The directors received no remuneration in the form of emoluments and fees during the period. In the current period the directors have been remunerated at a group level where their services are primarily directed.

6 Taxation

Total tax expense recognised in the profit and loss account

	Year to 30 Sep 17 £000	Period to 30 Sep 16 £000
<i>Current tax</i>		
Current tax on income for the period	-	416
Adjustment in respect of prior periods	(6)	-
	<hr/>	<hr/>
Total tax	(6)	416
	<hr/>	<hr/>

Notes (continued)

6 Taxation

Reconciliation of effective tax rate

	Year to 30 Sep 17 £000	Period to 30 Sep 16 £000
Profit for the period	2,132	1,663
Total tax (credit)/expense	(6)	416
	<hr/>	<hr/>
Profit excluding taxation	2,126	2,079
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19.5% (2016: 20%)	415	416
Adjustment in respect of prior periods	(6)	-
Group relief	(415)	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	(6)	416
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future tax charge accordingly. The deferred tax assets and liabilities at 30 September 2017 have been calculated based on the rates substantively enacted at the balance sheet date which was 17% in the United Kingdom.

7 Tangible fixed assets

	Fixtures and fittings £000	Total £000
Cost		
Balance at 1 October 2016	-	-
Other acquisitions	56	56
Disposals	-	-
	<hr/>	<hr/>
Balance at 30 September 2017	56	56
	<hr/>	<hr/>
Depreciation and impairment		
Balance at 1 October 2016	-	-
Depreciation charge for the year	3	3
	<hr/>	<hr/>
Balance at 30 September 2017	3	3
	<hr/>	<hr/>
Net book value		
At 30 September 2017	53	53
	<hr/>	<hr/>
At 30 September 2016	-	-
	<hr/>	<hr/>

Notes (continued)

8 Debtors

	2017 £000	2016 £000
Trade debtors	217	1
Amounts owed by group undertakings	4,392	2,372
Prepayments and accrued income	11	16
	<u>4,620</u>	<u>2,389</u>

Amounts owed by group undertakings are interest free and repayable on demand.

9 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	10	11
Corporation tax	-	310
Other creditors	13	6
Accruals and deferred income	1,253	868
Amounts owed to group undertakings	15	-
	<u>1,291</u>	<u>1,195</u>

10 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £2,484 (2016: £1,487).

11 Capital and reserves

Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
Shares classified in shareholders' funds	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

No dividends were paid during the period. After the balance sheet date dividends of £nil per qualifying ordinary share were proposed by the directors.

Notes (continued)

12 Ultimate parent company and parent company of larger group

The immediate and ultimate parent undertaking is Mellors Group Fantasy Island Holdings Limited. The controlling parties are considered to be the directors of Mellors Group Fantasy Island Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by Mellors Group Fantasy Island Holdings Limited, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of Mellors Group Fantasy Island Holdings Limited are available to the public and may be obtained from 57 Front Street, Arnold, Nottingham, NG5 7EA.

13 Accounting estimates and judgements

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.