

Fantasy Island Operations Limited

Registered number: 09986983

Annual report and financial statements

For the year ended 30 September 2021



FANTASY ISLAND OPERATIONS LIMITED

COMPANY INFORMATION

Directors	E J Mellors J F Mellors J H Mellors P A Gale
Registered number	09986983
Registered office	57 Front Street Arnold Nottingham NG5 7EA
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 6 Dominus Way Meridian Business Park Leicester LE19 1RP

FANTASY ISLAND OPERATIONS LIMITED

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FANTASY ISLAND OPERATIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

Introduction

The Directors present their strategic report for Fantasy Island Operations Limited for the year ended 30 September 2021.

Principal activity

The principal activity of the Company continued to be the operation of amusement rides within leisure attractions.

Business review

Despite the challenging economic environment against the backdrop of the COVID-19 pandemic, the Directors are pleased to report a robust return for the Company during FY21 following the challenges the pandemic presented in the previous years. During the period under review, the Company's turnover reached £8,448,000 (2020 - £3,159,000). The Directors are pleased with the Company's performance, both of which are in line with their expectations and which saw the business return to profitability.

At the year end, the Company had shareholders' liabilities of £8,915,000 (2020 - £9,395,000) and cash balances of £3,664,000 (2020 - £2,444,000). As a result, the Directors consider the Company to be in a stable financial position.

During the year, the Company has successfully acquired the trade and certain assets of the The Skegness Pier which have successfully been embedded and integrated into the existing Company's operations.

Principal risks and uncertainties

The Directors have assessed the main risk facing the Company to be the current economic environment, which continues to have an impact on individuals' discretionary spend on leisure activities. The Directors have sought to mitigate this risk by continually reassessing, investing in and developing the quality, safety and extent of the Group's activities.

Financial key performance indicators

The Company makes little use of financial instruments other than operational bank accounts and certain term loans so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit and loss of the Company.

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



E J Mellors
Director

Date: Jun 30, 2022

FANTASY ISLAND OPERATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Directors present their report and the financial statements for the year ended 30 September 2021.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ("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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Results and dividends

The profit for the year, after taxation, amounted to £480,000 (2020 - loss £2,317,000).

The Company did not pay a dividend during the year (2020 - £Nil).

Directors

The Directors who served during the year were:

E J Mellors
J F Mellors
J H Mellors
B R Cobb (resigned 30 September 2021)

On 1 October 2021, P A Gale was appointed as a Director for the Company.

FANTASY ISLAND OPERATIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Economic impact of the COVID-19 pandemic

The Board has and is continuing to fully assess the impact of the outbreak of COVID-19 on all areas of its business. This includes ongoing and continuing discussions with all of the business' key stakeholders. As part of this process, the Board has been assessing the likely trading levels of the Group for the foreseeable future and evaluating if the business has adequate financial and non-financial resources available to continue to trade profitably, without significant disruption, and meet its liabilities as and when they fall due.

Going concern

The Company's forecasts and projections, taking into account severe but reasonably possible changes in trading performance (including COVID-19), indicate that the Company will require support from its parent entity, Mellors Group Fantasy Island Holdings Limited. A letter of support has been received, which indicates that the parent entity will not seek for repayment of the amounts currently due to the Group and will provide financial support in order that the Company can meet its liabilities as they fall due for 12 months from the signing of these financial statements and into the foreseeable future.

As a consequence, the Directors are of the opinion that the business can continue in operational existence for the foreseeable future and accordingly, the financial statements continue to be prepared on a going concern basis.

Matters covered in strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulation 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the strategic report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this directors' report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide which will undoubtedly has and will continue to have an impact on the global economy in the foreseeable future. The Board have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The Directors expect the greatest impact on the business to be from the indirect economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments.

Invasion of Ukraine and Russian sanctions

The Company does not operate in either Ukraine or Russia and no key suppliers or customers are located in either country. The Board's assessment of this highly tragic geopolitical situation is that the business is not impacted at present, and the situation will remain under review.

FANTASY ISLAND OPERATIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



E J Mellors
Director

Date: Jun 30, 2022

FANTASY ISLAND OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANTASY ISLAND OPERATIONS LIMITED

Opinion

We have audited the financial statements of Fantasy Island Operations Limited (the 'Company') for the year ended 30 September 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

FANTASY ISLAND OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANTASY ISLAND OPERATIONS LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

FANTASY ISLAND OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANTASY ISLAND OPERATIONS LIMITED

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, and the Companies Act 2006.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

FANTASY ISLAND OPERATIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FANTASY ISLAND OPERATIONS LIMITED

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen English

Stephen English (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

Date: Jun 30, 2022

FANTASY ISLAND OPERATIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £000	2020 £000
Turnover	4	8,448	3,159
Cost of sales		(3,919)	(2,306)
Gross profit		4,529	853
Administrative expenses		(4,030)	(3,315)
Other operating income	5	244	219
Operating profit/(loss)	6	743	(2,243)
Tax on profit/(loss)	10	(263)	(74)
Profit/(loss) for the financial year		480	(2,317)

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 12 to 23 form part of these financial statements.

FANTASY ISLAND OPERATIONS LIMITED
REGISTERED NUMBER: 09986983

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	11	8,448	7,790
		<u>8,448</u>	<u>7,790</u>
Current assets			
Stocks	13	688	442
Debtors	14	3,487	2,840
Cash at bank and in hand	15	3,664	2,444
		<u>7,839</u>	<u>5,726</u>
Creditors: Amounts falling due within one year	16	(24,717)	(22,689)
Net current liabilities		<u>(16,878)</u>	<u>(16,963)</u>
Total assets less current liabilities		<u>(8,430)</u>	<u>(9,173)</u>
Provisions for liabilities			
Deferred tax	17	(485)	(222)
Net liabilities		<u><u>(8,915)</u></u>	<u><u>(9,395)</u></u>
Capital and reserves			
Called up share capital	18	-	-
Profit and loss account	19	(8,915)	(9,395)
		<u><u>(8,915)</u></u>	<u><u>(9,395)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



E J Mellors
 Director

Date: Jun 30, 2022

The notes on pages 12 to 23 form part of these financial statements.

FANTASY ISLAND OPERATIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2020	-	(9,395)	(9,395)
Profit for the year	-	480	480
At 30 September 2021	-	(8,915)	(8,915)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 October 2019	-	(7,078)	(7,078)
Loss for the year	-	(2,317)	(2,317)
At 30 September 2020	-	(9,395)	(9,395)

The notes on pages 12 to 23 form part of these financial statements.

FANTASY ISLAND OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. General information

Fantasy Island Operations Limited, registered number: 09986983, presents its financial statements for the year ended 30 September 2021.

The Company is a private Company, limited by shares and is registered in England. The address of the registered office is 57 Front Street, Arnold, Nottingham, NG5 7EA.

The principal activity of the Company continued to be the operation of amusement rides within leisure attractions.

The presentation currency for the financial statements is Pound Sterling (£'000) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest thousand.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Mellors Group Fantasy Island Holdings Limited as at 30 September 2021 and these financial statements may be obtained from 57 Front Street, Arnold, Nottingham, NG5 7EA.

FANTASY ISLAND OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The Company's forecasts and projections, taking into account severe but reasonably possible changes in trading performance (including COVID-19), indicate that the Company will require support from its parent entity, Mellors Group Fantasy Island Holdings Limited. A letter of support has been received, which indicates that the parent entity will not seek for repayment of the amounts currently due to the Group and will provide financial support in order that the Company can meet its liabilities as they fall due for 12 months from the signing of these financial statements and into the foreseeable future.

As a consequence, the Directors are of the opinion that the business can continue in operational existence for the foreseeable future and accordingly, the financial statements continue to be prepared on a going concern basis.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays, of the offered schemes, the Company used the furlough scheme. The income from the furlough scheme has been recognised within 'Other operating income'. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

FANTASY ISLAND OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.7 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

FANTASY ISLAND OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following annual basis:

Leasehold improvements	-	15%
Amusement rides	-	10%
Fixtures and fittings	-	15%
Caravans	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FANTASY ISLAND OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.14 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors are of the view that there are no key accounting judgements or key sources of estimation uncertainty in the preparation of the financial statements.

4. Turnover

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

5. Other operating income

	2021	2020
	£000	£000
Government grants receivable	244	219

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets	954	998
Other operating lease rentals	9	82

7. Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	8	6

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the Parent Company.

FANTASY ISLAND OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Employees

Staff costs were as follows:

	2021	2020
	£000	£000
Wages and salaries	2,798	1,954
Social security costs	230	144
Cost of defined contribution scheme	60	43
	<u>3,088</u>	<u>2,141</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	2020
	No.	No.
Operations	153	91
Management and administration	9	10
	<u>162</u>	<u>101</u>

9. Directors' remuneration

The Directors received no remuneration in the form of emoluments and fees during the year (2020 - £Nil).

10. Taxation

	2021	2020
	£000	£000
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	252	57
Adjustments with respect to prior periods	(45)	-
Effect of tax rate change on opening balance	56	17
Total deferred tax	<u>263</u>	<u>74</u>
Taxation on profit on ordinary activities	<u>263</u>	<u>74</u>

FANTASY ISLAND OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit/(loss) on ordinary activities before tax	743	(2,243)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	141	(426)
Effects of:		
Other differences leading to an increase in the tax charge	113	93
Group relief surrendered	9	407
Total tax charge for the year	263	74

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%.

FANTASY ISLAND OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. Tangible fixed assets

	Leasehold improvements £000	Amusement rides £000	Fixtures and fittings £000	Caravans £000	Total £000
Cost					
At 1 October 2020	461	9,219	2,375	394	12,449
Additions	4	1,370	593	17	1,984
Disposals	-	(620)	(5)	(1)	(626)
At 30 September 2021	465	9,969	2,963	410	13,807
Depreciation					
At 1 October 2020	216	3,348	953	142	4,659
Charge for the year	37	600	252	65	954
Disposals	-	(253)	(1)	-	(254)
At 30 September 2021	253	3,695	1,204	207	5,359
Net book value					
At 30 September 2021	212	6,274	1,759	203	8,448
At 30 September 2020	245	5,871	1,422	252	7,790

12. Acquisitions

During the year, the Company acquired the trade and certain assets of Skegness Pier. The assets acquired were amusement rides of £69,000 and fixtures and fittings of £318,000, all of which are included in Additions in note 11.

13. Stocks

	2021 £000	2020 £000
Raw materials and consumables	415	442
Finished goods and goods for resale	273	-

FANTASY ISLAND OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

14. Debtors

	2021	2020
	£000	£000
Trade debtors	347	689
Amounts owed by group undertakings	2,185	2,077
Other debtors	18	-
Prepayments and accrued income	937	74
	<u>3,487</u>	<u>2,840</u>

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

15. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	<u>3,664</u>	<u>2,444</u>

16. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	964	221
Amounts owed to group undertakings	21,335	21,249
Other creditors	625	148
Accruals and deferred income	1,793	1,071
	<u>24,717</u>	<u>22,689</u>

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

FANTASY ISLAND OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

17. Deferred taxation

	2021 £000	2020 £000
At beginning of year	(222)	(148)
Charged to profit or loss	(263)	(74)
At end of year	(485)	(222)

The provision for deferred taxation is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(485)	(222)

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

19. Reserves**Profit and loss account**

The profit and loss account represents the cumulative profits and losses of the Company.

20. Contingent liabilities

The Company is a party to a cross guarantee with its fellow group undertakings and those of Mellors Group (Holdings) Limited, a group of company's under common control, for bank debt relating to both groups. At 30 September 2021, borrowings of £12,688,000 (2020 - £11,258,000) were covered by this guarantee.

FANTASY ISLAND OPERATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

21. Pension commitments

The Company operates a number of defined benefit contribution pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund during the period and amounted to £60,000 (2020 - £43,000).

Contributions of £30,000 (2020 - £30,000) were payable to the fund at the balance sheet date and were included within creditors due within one year.

22. Commitments under operating leases

- I At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	14	29
Later than 1 year and not later than 5 years	12	5
	<u>26</u>	<u>34</u>

23. Related party transactions

The Company has taken advantage of the exemption conferred by Section 33 of Financial Reporting Standard 102 not to disclose transactions with other group entities whose voting rights are 100% controlled within the Group.

The Company have amounts due from/to Mellors Group (Holdings) Limited, a group of company's under common control. The balance due from/to Mellors Group (Holdings) Limited as at 30 September 2021 was Trade Creditors £640,000 (2020 - £67,000), Trade Debtors £129,000 (2020 - £449,000) , and Other Creditors £169,000 (2020 - £Nil).

24. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide which will undoubtedly has and will continue to have an impact on the global economy in the foreseeable future. The Board has carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event. The Directors expect the greatest impact on the business to be from the indirect economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessments.

FANTASY ISLAND OPERATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Ultimate and immediate parent undertaking and controlling party

The ultimate and immediate parent undertaking is Mellors Group Fantasy Island Holdings Limited, a company incorporated and registered in the United Kingdom. The largest and smallest Group of undertakings for which Group accounts have been drawn up is headed by Mellors Group Fantasy Island Holdings Limited. Copies of the Group financial statements of this company are available from 57 Front Street, Arnold, Nottingham, NG5 7EA.

The controlling parties are considered to be E J Mellors, J H Mellors and J F Mellors by virtue of their interests in the ultimate parent undertaking.