

**LEGOLAND Windsor Park Limited**

**Annual report and financial statements**

**Registered number 2721728**

**52 weeks ended 28 December 2013**



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## Strategic report

The directors present their Strategic report for the 52 weeks ended 28 December 2013.

### Strategic management

The principal activity of the company was to act as an agent in the operation of a family theme park, focused on outdoor attractions, with rides and shows but also featuring a broad range of facilities, incorporating the LEGO product throughout the theme park. In 2012, on-site accommodation was introduced with the opening of the LEGOLAND Windsor Resort Hotel.

Under an agency agreement, the company performs operational tasks as an agent for Merlin Attractions Operations Limited for which it receives an agency fee.

The company's operating fixed assets and operational staff was transferred to Merlin Attractions Operations Limited at the end of 2012.

### Business environment

Competition in the leisure and entertainments industry, together with the influence of the weather and socio-economic environment on visitor numbers, represents continuing risks for the company. The company's principal risks and uncertainties are directly related to the Merlin Entertainments Group and accordingly no other specific risks and uncertainties are identified in these financial statements. The principal risks are discussed within the accounts of Merlin Entertainments plc and details of how to obtain these accounts can be found in note 13.

### Business performance

The directors have determined that the result before tax and the net assets or liabilities are the most appropriate key performance indicators (KPI's) for an understanding of the development, performance and position of the company. The results for the company show a profit before tax of £1,518,000 (2012: £1,419,000) and turnover of £1,518,000 (2012: £17,865,000). As at 28 December 2013, the company had net assets of £104,348,000 (29 December 2012: £104,355,000). This is in line with expectations and the directors are satisfied with the performance and position of the company.

## Directors' report

The directors present their Directors' report and the audited financial statements for the 52 weeks ended 28 December 2013. Details of the company's principal activity and future developments; its principal risks and uncertainties; and its KPI's can be found within the Strategic Report.

### Dividends

The directors do not recommend the payment of a dividend (2012: £nil).

### Directors

The directors who held office during the period and up until the date of the signing of these financial statements were as follows:

J Jakobsen  
F Montgomery  
C Armstrong

During the period the company maintained liability insurance for its directors and officers.

### Disclosure of information to auditors

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.

**Auditors**

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

The Strategic Report and the Directors Report were both approved by the Board on 2 September 2014.

For and on behalf of the Board



**C Armstrong**  
*Company Secretary*

3 Market Close  
Poole  
Dorset  
BH15 1NQ

## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

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 they have elected to prepare the 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 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 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 LEGOLAND Windsor Park Limited**

We have audited the financial statements of LEGOLAND Windsor Park Limited for the 52 weeks ended 28 December 2013 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 directors and auditor**

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit, and express an 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 website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2013 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with UK 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 the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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.

**Nicole Martin**  
**Senior Statutory Auditor**

10<sup>th</sup> September 2014

For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Dukes Keep  
Marsh Lane  
Southampton  
SO14 3EX

## Profit and loss account

for the 52 weeks ended 28 December 2013

		52 weeks ended 28 December 2013 £000	52 weeks ended 29 December 2012 £000
	<i>Note</i>		
Turnover – intercompany agency revenues	2	1,518	17,865
Cost of sales		-	-
<b>Gross profit</b>		<b>1,518</b>	<b>17,865</b>
Administrative expenses		-	(16,446)
<b>Operating profit and profit on ordinary activities before taxation</b>	3	<b>1,518</b>	<b>1,419</b>
Tax on profit on ordinary activities	6	(1,525)	(1,259)
<b>(Loss)/profit for the financial period</b>	10	<b>(7)</b>	<b>160</b>

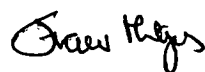
There are no recognised gains or losses other than the (loss)/profit for the period reported above. There is also no difference between the profit on ordinary activities before taxation and the (loss)/profit for the financial period stated above and their historical cost equivalents.

The results of the company for the period relate wholly to continuing operations, being the operation of a theme park, LEGOLAND Windsor, as agent for a fellow group company.

**Balance sheet**  
*at 28 December 2013*

	<i>Note</i>	<b>28 December 2013</b>		<b>29 December 2012</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Current assets</b>					
Debtors	7	106,283		105,624	
		<u>106,283</u>		<u>105,624</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,935)</u>		<u>(1,269)</u>	
<b>Net current assets</b>			<b>104,348</b>		<b>104,355</b>
<b>Net assets</b>			<b>104,348</b>		<b>104,355</b>
<b>Capital and reserves</b>					
Called up share capital	9		77,800		77,800
Capital reserve	10		148		148
Profit and loss account	10		26,400		26,407
<b>Shareholder's funds</b>	11		<b>104,348</b>		<b>104,355</b>

These financial statements were approved by the board of directors on 2 September 2014 and were signed on its behalf by:



**F Montgomery**  
*Director*



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### ***Basis of preparation***

These financial statements have been prepared for the 52 weeks ended 28 December 2013 (*2012: 52 weeks ended 29 December 2012*). The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the company, its cash flows, liquidity position and borrowing facilities are directly related to the position of the overall Merlin Entertainments Group. As such, details of this groupwide position are described in the consolidated financial statements of Merlin Entertainments plc, available to the public from the address in note 13.

In addition, the notes to the consolidated financial statements of Merlin Entertainments plc include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The company has appropriate financial resources and trades profitably. The directors believe that the company is well placed to manage its business risks successfully and that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### ***Cash flow statement***

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### ***Related party transactions***

As the company is a wholly owned subsidiary of Merlin Entertainments plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with other wholly owned subsidiaries which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Merlin Entertainments plc, within which this company is included, can be obtained from the address given in note 13.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***Pensions***

During 2012 the company operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. The amount charged against profits represented the contributions payable to the scheme in respect of the accounting period.

## Notes (continued)

### 1 Accounting policies (continued)

#### Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Work-in-progress balances in respect of construction contracts are taken as production cost, which includes an appropriate proportion of attributable overheads. Revenue on such contracts is recognised at completion.

#### Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### Turnover

Turnover represents intercompany agency fees received.

#### Share based payments

The fair value of equity-settled share-based payments under share plans operated by Merlin Entertainments plc is recognised as an employee expense with a corresponding increase in equity, in the form of a parent company capital contribution. The fair value is measured at grant date and charged as the employees become unconditionally entitled to the rights.

The fair value of the share plans is recognised as an expense over the expected vesting period net of deferred tax with a corresponding entry to the profit and loss account. The fair value of the share plans is determined at the date of grant. Non-market based vesting conditions (i.e. earnings per share and return on capital employed targets) are taken into account in estimating the number of awards likely to vest. The estimate of the number of awards likely to vest is reviewed at each accounting date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued. No adjustment is made after the vesting date even if the awards are forfeited or are not exercised.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Notes to the profit and loss account

	2013 £000	2012 £000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	-	3,881
Operating lease rentals – land and buildings	-	725
Operating lease rentals - plant and equipment	-	33

## Notes (continued)

### 3 Notes to the profit and loss account (continued)

#### Auditors' remuneration:

	2013 £000	2012 £000
Audit of these financial statements	26	30

The auditor's remuneration is borne by a fellow group company.

Fees payable to the company's auditor for services other than the statutory audit of the company are disclosed on a consolidated basis in the consolidated financial statements of the company's ultimate parent.

### 4 Remuneration of directors

The directors received no remuneration from the company during the period and are paid by other group undertakings. None of the directors received remuneration for their services to the company as the services provided to the company are incidental to their wider role in the group.

### 5 Staff numbers and costs

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

	Number of employees	
	2013	2012
Attraction management	-	24
Operations	-	676
	-	700

The aggregate payroll costs of these persons were as follows:

	2013 £000	2012 £000
Wages and salaries	-	11,114
Social security costs	-	530
Other pension costs	-	161
	-	11,805

## Notes (continued)

### 6 Taxation

	2013 £000	2012 £000
<i>UK corporation tax</i>		
Current tax on income for the period	1,935	1,269
Adjustments in respect of prior periods	(410)	(10)
Total current tax	<u>1,525</u>	<u>1,259</u>

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is higher (2012: higher) than the standard rate of corporation tax in the UK of 23% (2012: 24%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before taxation	<u>1,518</u>	<u>1,419</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012: 24%)	349	341
<i>Effects of:</i>		
Expenses disallowable for tax purposes	-	277
Imputed interest	1,586	-
Difference between capital allowances and depreciation	-	651
Adjustment to tax charge in respect of prior periods	(410)	(10)
Total current tax charge (see above)	<u>1,525</u>	<u>1,259</u>

On 21 March 2012 the Chancellor announced the reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013. This rate change was substantively enacted on 3 July 2012.

On 21 March 2013, further reductions in the corporation tax rate were announced, reducing the rate to 21% from 1 April 2014 and 20% from 1 April 2015. Such reductions will reduce future corporation tax charges, and reduce the future value of deferred tax assets and liabilities. These changes were substantively enacted on 17 July 2013. The closing deferred tax balances have been valued at 20% (2012: 23%).

## Notes (continued)

### 7 Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	<u>106,283</u>	<u>105,624</u>

### 8 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Corporation tax	<u>1,935</u>	<u>1,269</u>

### 9 Called up share capital

	2013 £000	2012 £000
<i>Allotted, called up and fully paid</i>		
35,000,000 ordinary shares of £1 each	35,000	35,000
42,800,000 redeemable ordinary shares of £1 each	42,800	42,800
	<u>77,800</u>	<u>77,800</u>

The £1 Redeemable ordinary shares are redeemable at the company's option, at par, at any time. They carry the same voting rights, rights to dividends and priority on a winding up as ordinary shares.

### 10 Reserves

	Capital reserve £000	Profit and loss account £000	Total £000
At 30 December 2012	148	26,407	26,555
Loss for the financial period	-	(7)	(7)
<b>At 28 December 2013</b>	<u>148</u>	<u>26,400</u>	<u>26,548</u>

## Notes (continued)

### 10 Reserves (continued)

#### Share based payments - equity-settled schemes (closed)

Merlin Entertainments previously operated equity-settled schemes that enabled certain senior employees to acquire at market value B class ordinary shares in Merlin Entertainments S.à r.l, the ultimate parent company until the Merlin Entertainments IPO in November 2013. Market value was determined based on an analysis of profit multiples in the Group's industry sector. At the discretion of the CEO further shares could also have been granted in recognition of long service and/or outstanding contribution. These shares vested on the Merlin Entertainments IPO in November 2013.

No charge arose during the year (2012: nil). The number of shares issued was as follows:

	Number 2013	Number 2012
At the start of the period	-	9,650
Decrease during the period	-	(9,650)
<b>At the end of the period</b>	<b>-</b>	<b>-</b>

### 11 Reconciliation of movements in shareholder's funds

	2013 £000	2012 £000
Opening shareholder's funds	104,355	104,195
(Loss)/profit for the period	(7)	160
<b>Closing shareholder's funds</b>	<b>104,348</b>	<b>104,355</b>

### 12 Pension commitments

During 2012 the company operated a defined contribution pension scheme for a number of its employees. The pension charge for the period was £nil (2012: £161,000). The pension costs were charged to the profit and loss account in the period that they were incurred and any outstanding contributions at the period end were included within creditors. The assets of the scheme were held separately from those of the company in independently administered funds. At the period end the outstanding contributions due to the scheme were £nil (2012: £nil).

### 13 Ultimate parent company

As part of the flotation of Merlin Entertainments plc on the London Stock Exchange in November 2013, the ultimate parent company changed from Merlin Entertainments S.à r.l. to Merlin Entertainments plc, a company incorporated in the United Kingdom, which is the only company preparing group financial statements. The consolidated financial statements of this group are available to the public and may be obtained from Merlin Entertainments Group Limited, 3 Market Close, Poole, Dorset, BH15 1NQ.

The immediate parent company is Merlin Entertainments Group Limited.