

**Merlin US Holdings Limited**

**Annual report and financial statements**

**Registered number 6273035**

**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 throughout the period and for the foreseeable future is to act as an investment holding and financing company for fellow group companies.

### Business environment

As an investment holding and financing company, the company's principal risks and uncertainties are directly related to the Merlin Entertainments Group and accordingly no 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 15.

### 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 £2,431,000 (2012: £3,743,000). As at 28 December 2013, the company had net assets of £51,041,000 (29 December 2012: £49,169,000). 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:

DG Earlam  
J Jakobsen  
C Armstrong

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

### Charitable and political donations

The company made no charitable or political donations during the period (2012: £nil).

### 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.

By order 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 Merlin US Holdings Limited**

We have audited the financial statements of Merlin US Holdings 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 profit 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**

9th 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
	Note		
Interest receivable and similar income	3	3,436	4,990
Interest payable and similar charges	4	(1,005)	(1,247)
<b>Profit on ordinary activities before taxation</b>	2	<b>2,431</b>	<b>3,743</b>
Tax on profit on ordinary activities	5	(559)	(898)
<b>Profit for the financial period</b>	12	<b>1,872</b>	<b>2,845</b>

There are no recognised gains or losses other than the profit for the financial period reported above. There is also no difference between the profit on ordinary activities before taxation and the 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.

**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>Fixed assets</b>					
Investments	6		-		-
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	10,641		7,205	
Debtors: amounts falling due after one year	8	59,480		59,480	
Cash at bank and in hand		1,135		1,135	
		<b>71,256</b>		<b>67,820</b>	
<b>Creditors: amounts falling due within one year</b>	9	<b>(5,333)</b>		<b>(3,769)</b>	
<b>Net current assets</b>					
Due within one year		6,443		4,571	
Due after more than one year		59,480		59,480	
<b>Net current assets</b>			<b>65,923</b>		<b>64,051</b>
<b>Total assets less current liabilities</b>			<b>65,923</b>		<b>64,051</b>
<b>Creditors: amounts falling due after more than one year</b>	10		<b>(14,882)</b>		<b>(14,882)</b>
<b>Net assets</b>			<b>51,041</b>		<b>49,169</b>
<b>Capital and reserves</b>					
Called up share capital	11		-		-
Profit and loss account	12		51,041		49,169
<b>Shareholder's funds</b>	13		<b>51,041</b>		<b>49,169</b>

These financial statements were approved by the board of directors on behalf by:

2 September 2014 and were signed on its

  
**C Armstrong**  
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 15.

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 which will enable it to continue its planned activities. 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 15.

#### ***Consolidation***

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

#### ***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.

#### ***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.

## Notes (continued)

### 1 Accounting policies (continued)

#### Interest-bearing borrowings

Interest-bearing borrowings are initially recognised at fair value, being the amount of the consideration received less the directly attributable transaction costs associated with the borrowing. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

#### Investments

Investments are stated at cost less provision for impairment.

### 2 Notes to the profit and loss account

The auditor's remuneration for the period of £1,050 (2012: £1,000) 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.

No staff are employed by the company apart from the 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.

### 3 Interest receivable and similar income

	52 weeks ended 28 December 2013 £000	52 weeks ended 29 December 2012 £000
Bank interest receivable	-	5
Interest receivable from group undertakings	3,436	4,985
	<u>3,436</u>	<u>4,990</u>

### 4 Interest payable and similar charges

	52 weeks ended 28 December 2013 £000	52 weeks ended 29 December 2012 £000
Interest payable to group undertakings	1,005	1,247
	<u>1,005</u>	<u>1,247</u>

## Notes (continued)

### 5 Taxation

	52 weeks ended 28 December 2013 £000	52 weeks ended 29 December 2012 £000
<i>UK corporation tax</i>		
Current tax on profits for the period	559	898
Total current tax	559	898

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

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

	52 weeks ended 28 December 2013 £000	52 weeks ended 29 December 2012 £000
Profit on ordinary activities before taxation	2,431	3,743
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012: 24%)	559	898
Total current tax charge (see above)	559	898

## Notes (continued)

### 6 Fixed asset investments

Shares in  
subsidiary  
undertakings  
£

#### Cost and Carrying value

At 30 December 2012 and 28 December 2013

1

The principal direct undertakings in which the company's interest at the period end is more than 20% are as follows:

Company	Activity	Country of incorporation	Shareholding	Description of shares held
LEGOLAND US Holdings Limited	Holding company	England and Wales	100%	Ordinary

### 7 Debtors: amounts falling due within one year

	2013 £000	2012 £000
Amounts owed by group undertakings	10,641	7,205

### 8 Debtors: amounts falling due after one year

	2013 £000	2012 £000
Amounts owed by group undertakings	59,480	59,480

Included in amounts due from fellow subsidiary undertakings is £59,480,000 (2012: £59,480,000) where the company has agreed not to seek repayment of the loans concerned for a period of at least one year, and accordingly they have been classed as due after more than one year. Interest is calculated at 6.5% (2012: 8.4%).

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

	2013 £000	2012 £000
Amounts owed to group undertakings	4,774	2,871
Corporation tax	559	898
	5,333	3,769

## Notes (continued)

### 10 Creditors: amounts falling due in more than one year

	2013 £000	2012 £000
Amounts owed to group undertakings	14,882	14,882

Amounts owed to group undertakings are repayable on demand. The balance outstanding is owed to Merlin Entertainments Group Holdings Limited, a parent undertaking. Merlin Entertainments Group Holdings Limited has confirmed that it does not intend to call in the amounts due to it from the company and accordingly, this amount has been presented within creditors due after more than one year. Interest was charged on this loan at an average rate of 6.5% (2012: 8.4%).

### 11 Called up share capital

	2013 £000	2012 £000
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-

### 12 Reserves

	Profit and loss account £000
At 30 December 2012	49,169
Profit for the financial period	1,872
At 28 December 2013	51,041

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

	2013 £000	2012 £000
Opening shareholder's funds	49,169	46,324
Profit for the period	1,872	2,845
Closing shareholder's funds	51,041	49,169

## **Notes** *(continued)*

### **14 Banking arrangements**

Along with other Group companies in the United Kingdom, the company is a member of a consolidated banking arrangement which includes notional bank pooling and an overdraft facility. As such it is party to an unlimited multilateral guarantee to the Bank for all debts or liabilities arising from the Group facility whereby each member company guarantees the obligations of each other member to the Bank.

### **15 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 Holdings Limited.