

Charcoal Newco 1 Limited

Annual Report and financial statements

Registered number 6128686

52 weeks ended 29 December 2018



Contents

Strategic Report	1
Directors' Report	2
Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements	3
Independent Auditor's Report to the members of Charcoal Newco 1 Limited	4
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

Strategic Report

The Directors present their Strategic Report for the 52 weeks ended 29 December 2018.

Strategic management

The principal activity of the Company throughout the year 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 Merlin Entertainments plc and its subsidiaries (the Group). The principal risks are discussed within the Annual Report and accounts of Merlin Entertainments plc and details of how to obtain these accounts can be found in note 13. Accordingly no specific risks and uncertainties are identified in these financial statements.

The Directors, as part of the wider Merlin Group, continue to monitor the potential impact of Brexit to the Group and the Company. A number of exercises have been undertaken to identify hot spots, perform analysis of particular contractual arrangements that could be threatened or become more expensive, assess increasing costs of duty, and analyse alternative supply options and the volume and location of inventory holdings.

If there is no agreement between the UK and the EU, the Directors believe that there could be both structural issues, for example immigration restrictions limiting access to non-UK staff currently needed to operate attractions and transitory issues that would be shorter term impacts.

The transitory issues would occur as a consequence of administrative, process or market changes, which will unwind over a number of months after exiting the EU.

The principal areas where these issues may occur are delays in the movement or availability of goods and products that disrupt retail, food and beverage and ride operations, when either sourced directly or through third party providers in the supply chain.

There are also a number of potential consequences of Brexit that are being considered as both a risk and an opportunity. The areas currently being considered relate to extreme movements in foreign exchange rates impacting visitation and underlying costs and UK and European citizens staying at home as a consequence of anticipated travel friction in the early months following a disorderly exit.

Business performance

The Directors have determined that the result before tax and the net assets or liabilities position 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 52 weeks ended 29 December 2018 for the Company show a loss before tax of £35,823,000 (52 weeks ended 30 December 2017: loss before tax of £16,692,000), the decrease being primarily driven by an increase in finance costs. As at 29 December 2018, the Company had net assets of £541,799,000 (30 December 2017: £557,920,000). 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 29 December 2018. Details of the Company's principal activity and future developments; its principal risks and uncertainties; and its KPIs can be found within the Strategic Report.

Dividends

The Directors do not recommend the payment of a dividend (2017: *Nil*).

Directors

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

F Rose
M Jowett

During the year the Company maintained liability insurance for its Directors and officers.

Political donations

The Company made no political donations during the year (2017: *Nil*).

Post balance sheet events

There are no events after the balance sheet date which require disclosure.

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.

Independent auditors

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.

Information presented in other sections

Details of the Company's principal activity and future developments; its principal risks and uncertainties; and its KPIs can be found within the Strategic Report. The going concern assessment can be found within note 1 of the financial statements.

The Strategic Report and the Directors' Report were both approved by the Board on 21 August 2019.

By order of the Board



F Rose
Company Secretary
Link House
25 West Street
Poole
Dorset
BH15 1LD

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), including FRS 101 'Reduced Disclosure Framework'.

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 Charcoal Newco 1 Limited

Opinion

We have audited the financial statements of Charcoal Newco 1 Limited (the Company) for the 52 weeks ended 29 December 2018 which comprise the statement of comprehensive income, the statement of financial position, 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 29 December 2018 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 'Reduced Disclosure Framework'; 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, receivables and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic Report and Directors' Report

The Directors are responsible for the strategic report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and 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 Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



Independent Auditor's Report to the members of Charcoal Newco 1 Limited (continued)

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.

We have nothing to report in these respects.

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 FRC'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.

James Childs-Clarke
Senior Statutory Auditor

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
Southampton
SO53 3TG

21 August 2019

Statement of comprehensive income

for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

	Note	2018 £000	2017 £000
Dividend income		65,086	68,809
Operating profit	2	65,086	68,809
Finance income	3	17,399	23,982
Finance costs	4	(118,308)	(109,483)
Loss before tax		(35,823)	(16,692)
Taxation	5	17,404	17,900
(Loss)/profit for the year		(18,419)	1,208
Other comprehensive income			
<i>Items that may be reclassified to the income statement</i>			
Fair value changes on effective hedges and settlement of swaps	10	2,838	3,529
Income tax on items relating to components of other comprehensive income	5	(540)	(679)
Other comprehensive income for the year net of income tax		2,298	2,850
Total comprehensive income for the year		(16,121)	4,058

Statement of financial position

as at 29 December 2018 (2017: as at 30 December 2017)

	Note	2018 £000	2017 £000
Non-current assets			
Investments	6	2,124,476	2,103,381
Other receivables	7	634,496	562,182
Derivative financial assets		-	889
Deferred tax assets	9	9,456	10,895
		2,768,428	2,677,347
Current assets			
Tax receivable		18,583	34,572
Trade and other receivables	7	569,142	510,597
		587,725	545,169
Total assets		3,356,153	3,222,516
Current liabilities			
Trade and other payables	8	(3,443)	(3,222)
Cash and cash equivalents		(34,096)	(36,399)
		(37,539)	(39,621)
Non-current liabilities			
Other payables	8	(2,776,815)	(2,624,975)
Total liabilities		(2,814,354)	(2,664,596)
Net assets		541,799	557,920
Capital and reserves			
Share capital	10	2	2
Capital reserve		519,705	519,705
Hedging reserve		3,035	737
Retained earnings		19,057	37,476
Total equity		541,799	557,920

These financial statements were approved by the Board of Directors on 21 August 2019 and were signed on its behalf by:



F Rose
Director

Statement of changes in equity

for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

	Share capital £000	Capital reserve £000	Hedging reserve £000	Retained earnings £000	Total equity £000
At 1 January 2017	2	500,824	(2,113)	36,268	534,981
Profit for the year	-	-	-	1,208	1,208
Other comprehensive income for the year (note 10)	-	-	2,850	-	2,850
Total comprehensive income for the year	-	-	2,850	1,208	4,058
Capital contribution (note 10)	-	18,881	-	-	18,881
At 30 December 2017	2	519,705	737	37,476	557,920
Profit for the year	-	-	-	(18,419)	(18,419)
Other comprehensive income for the year (note 10)	-	-	2,298	-	2,298
Total comprehensive income for the year	-	-	2,298	(18,419)	(16,121)
At 29 December 2018	2	519,705	3,035	19,057	541,799

Notes to the financial statements

for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

1 Accounting policies

Basis of preparation

These financial statements have been prepared for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017).

Charcoal Newco 1 Limited (the Company) is a company incorporated, registered and domiciled in the UK. It is a private company limited by shares. The address of its registered office is Link House, 25 West Street, Poole, Dorset BH15 1LD.

The Company is exempt by virtue of s400 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.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned Group companies;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The Company's ultimate parent undertaking, Merlin Entertainments plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Merlin Entertainments plc are prepared in accordance with Adopted IFRSs and are available to the public and may be obtained from Link House, 25 West Street, Poole, Dorset BH15 1LD.

As the consolidated financial statements of Merlin Entertainments plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 29 December 2018 have had a material impact on the Company.

The preparation of financial statements requires management to exercise judgement in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

1 Accounting policies (continued)

Going concern

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.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at fair value less attributable fees. These fees are then amortised through the income statement on an effective interest rate basis over the expected life of the loan (or over the contractual term where there is no clear indication that a shorter life is appropriate). If the Company subsequently determines that the expected life has changed, the resulting adjustment to the effective interest rate calculation is recognised as a gain or loss on re-measurement and presented separately in the income statement in accordance with IFRS 9.

Investments

Investments in subsidiaries are stated at cost, less provision for impairment. The carrying amount of the Company's investments in subsidiaries is reviewed annually to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated. If the carrying value of the investment exceeds the recoverable amount, the investment is considered to be impaired and is written down to the recoverable amount. The impairment loss is recognised in the income statement.

Finance income and costs

Finance costs comprise interest expense, finance charges on shares classified as liabilities and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Finance income comprises interest income from funds invested, gains on foreign exchange contracts and net foreign exchange gains.

Interest income and interest expense are recognised in the income statement as they accrue, using the effective interest rate method.

Foreign currencies

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement unless it relates to items recognised directly in equity, when it is recognised directly in equity, or when it relates to items recognised in other comprehensive income, when it is recognised through the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous periods.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is provided on certain temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and taxation purposes respectively. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

After considering forecast future profits, deferred tax assets are recognised where it is probable that future taxable profits will be available against which those assets can be utilised.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement, i.e. when interest income or expense is recognised.

For cash flow hedges, other than those covered by the preceding policy statement, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the income statement. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

On the discontinuance of hedge accounting, any adjustment made to the carrying amount of the hedged item as a consequence of the fair value hedge relationship, is recognised in the income statement over the remaining life of the hedged item.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Financial instruments are recognised on the statement of financial position when the Company becomes party to the contractual provisions of the instrument. The accounting policy for each type of financial instrument is included within the relevant note.

Financial assets are initially measured at fair value, unless otherwise noted, and are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is derecognised when the contractual rights to the cash flows from the asset expire or the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities are initially measured at fair value, plus, in the case of other financial liabilities, directly attributable transaction costs. Other financial liabilities, primarily the Company's interest-bearing loans and borrowings, are measured at amortised cost. Financial liabilities are measured at fair value through profit or loss and are held on the statement of financial position at fair value. A financial liability is derecognised when the Company's obligations are discharged, expire or are cancelled. Finance payments associated with financial liabilities are dealt with as part of finance costs.

Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

2 Operating profit

Operating profit is stated after crediting:

	2018 £000	2017 £000
Dividends received	65,086	68,809

Auditor's remuneration:

	2018 £000	2017 £000
Audit of these financial statements	4	4

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. The Directors did not receive remuneration for their services to the Company as the services provided to the Company are incidental to their wider role in the Group.

3 Finance income

	2018 £000	2017 £000
Interest income on amounts owed by Group undertakings	15,183	14,422
Bank interest receivable	-	22
Net foreign exchange gains	-	7,403
Other interest income	2,216	2,135
	17,399	23,982

4 Finance costs

	2018 £000	2017 £000
Interest expense on amounts owed to Group undertakings	110,543	109,483
Net foreign exchange losses	4,039	-
Net loss on interest rate swaps	3,726	-
	118,308	109,483

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

5 Taxation

Recognised in the income statement

	2018 £000	2017 £000
<i>Current tax</i>		
Current year	(18,583)	(18,411)
Adjustments for prior periods	280	40
Total current income tax	(18,303)	(18,371)
<i>Deferred tax (note 9)</i>		
Origination and reversal of temporary differences	(213)	486
Changes in tax rate	1,112	(15)
Adjustments for prior periods	-	-
Total deferred tax	899	471
Total tax credit in income statement	(17,404)	(17,900)

Reconciliation of effective tax rate

	2018 %	2018 £000	2017 %	2017 £000
Loss before tax		(35,823)		(16,692)
Income tax using the domestic corporation tax rate	19.0%	(6,806)	19.3%	(3,213)
Foreign exchange loss not deductible	(1.1%)	376	8.8%	(1,466)
Dividend income not subject to tax	34.5%	(12,366)	79.4%	(13,246)
Changes in tax rate	(3.1%)	1,112	0.1%	(15)
Adjustments in respect of prior periods	(0.8%)	280	(0.2%)	40
Total tax credit in the income statement	48.6%	(17,404)	107.4%	(17,900)

The standard rate for UK corporation tax used in the 52 weeks ended 29 December 2018 was 19.0% (2017: 19.3%).

A reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax charge accordingly.

Recognised directly in equity through other comprehensive income

	2018 £000	2017 £000
Tax on effective portion of changes in fair value of cash flow hedges and settlement of interest rate swaps.	540	679

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

6 Investments

	Shares in subsidiary undertakings £000
Cost and carrying value	
At 31 December 2016	2,132,477
Fair value hedge adjustment	(29,096)
At 30 December 2017	2,103,381
Fair value hedge adjustment	21,095
At 29 December 2018	<u>2,124,476</u>

The Company has designated \$422,000,000 of the carrying amount of the investment in Merlin UK Finco 1 Limited as a hedge against the variability in fair value, due to foreign exchange movements, of loan payables with Merlin Entertainments Crown (UK) Limited totalling \$422,000,000. As the value of the portion of the hedged item is equal to the value of the hedging instrument, the hedge is 100% effective. This has resulted in the carrying amount of the investment in Merlin UK Finco 1 Limited increasing in 2018 by £20,749,000 (2017: decrease of £29,587,000). The income statement effect has been offset against the foreign exchange movement on the above loan payable being hedged.

During 2017 the Company designated €25,000,000 of the carrying amount of the investment in Merlin UK Finco 2 Limited as a hedge against the variability in fair value, due to foreign exchange movements, of loan payables with Merlin Entertainments Group Holdings Limited totalling €25,000,000. As the value of the portion of the hedged item is equal to the value of the hedging instrument, the hedge is 100% effective. This has resulted in the carrying amount of the investment in Merlin UK Finco 2 Limited increasing in 2018 by £346,000 (2017: £491,000). The income statement effect has been offset against the foreign exchange movement on the above loan payable being hedged.

The Company has the following direct investments in subsidiary undertakings:

Company	Country of incorporation	Class of share held	2018 Shareholding	2017 Shareholding
Charcoal Newco 1a Limited	UK ⁽¹⁾	Ordinary	100%	100%
Merlin Entertainments Group Holdings Limited	UK ⁽¹⁾	Ordinary	100%	100%
Merlin US Holdings Limited	UK ⁽¹⁾	Ordinary	25%	25%
Merlin Entertainments North America LLC	USA ⁽²⁾	Ordinary	100%	100%
Merlin UK Finco 1 Limited	UK ⁽¹⁾	Ordinary	100%	100%
Merlin UK Finco 2 Limited	UK ⁽¹⁾	Ordinary	100%	100%

Registered offices:

⁽¹⁾ Link House, 25 West Street, Poole, Dorset BH15 1LD, United Kingdom

⁽²⁾ 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States

See note 14 for a list of the Company's indirect investments in subsidiary and joint venture undertakings.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

7 Trade and other receivables

	Non-current 2018 £000	Non-current 2017 £000	Current 2018 £000	Current 2017 £000
Amounts owed from Group undertakings	634,496	562,182	569,142	510,597

Included in amounts due from Group undertakings is £634,496,000 (2017: £562,182,000) 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 classified as non-current. Where interest is applied on long term amounts owed from Group undertakings this ranges from 3% to 4% per annum (2017: ranges from 3% to 4% per annum).

8 Trade and other payables

	Non-current 2018 £000	Non-current 2017 £000	Current 2018 £000	Current 2017 £000
Amounts owed to Group undertakings	2,776,815	2,624,975	3,443	3,188
Other creditors	-	-	-	34
	2,776,815	2,624,975	3,443	3,222

Amounts owed to Group undertakings includes loans which are repayable on demand and accordingly these have been classified within current liabilities. Certain amounts owed to Group undertakings are classified as non-current as they are owed to Group undertakings which have confirmed that they do not intend to call in the amounts due to them from the Company for a period of at least one year. Interest on non-current amounts owed to Group undertakings is charged at a rate between 3% - 7% per annum (2017: 3% - 4% per annum).

9 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets 2018 £000	Assets 2017 £000	Liabilities 2018 £000	Liabilities 2017 £000	Net 2018 £000	Net 2017 £000
Other short term temporary differences	9,456	10,895	-	-	9,456	10,895
Net tax assets	9,456	10,895	-	-	9,456	10,895

Other short term temporary differences primarily relate to financial assets and liabilities and various accruals and prepayments.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

9 Deferred taxation (continued)

Movement in deferred tax during the current year:

	At 31 December 2017 £000	Recognised in income statement £000	Recognised in other comprehensive income £000	At 29 December 2018 £000
Other short term temporary differences	10,895	(899)	(540)	9,456
Net tax assets	10,895	(899)	(540)	9,456

Movement in deferred tax during the previous year:

	At 1 January 2017 £000	Recognised in income statement £000	Recognised in other comprehensive income £000	At 30 December 2017 £000
Other short term temporary differences	12,045	(471)	(679)	10,895
Net tax assets	12,045	(471)	(679)	10,895

10 Share capital and reserves

Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
225,432 (2017: 225,432) ordinary shares of £0.01 each	2	2

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.

Retained earnings

No dividend was paid during the year (2017: *£nil*).

Hedging reserve

The Company has floating rate loan payables with fellow Group companies. The majority of the balances at year end have been swapped to a fixed rate using interest rate swaps (see note 11). The Company applies hedge accounting. During the year, fair value changes to cash flow hedges amounted to a gain of £452,000, net of income tax (2017: *gain of £2,850,000*). The remaining gain of £1,846,000 relates to the settlement of interest rate swaps.

Capital reserve

During the prior year a capital contribution was made by the controlling parent, Merlin Entertainments Group Luxembourg 3 S.à r.l., of £18,881,000.

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

11 Derivative financial assets/(liabilities)

The Company manages interest rate risk by entering into interest rate swap contracts with Merlin Entertainments Group Holdings Limited. Interest rate swaps are recognised at fair value which is determined by reference to market rates. The fair value is the estimated amount that the Company would receive or pay to exit the swap, taking into account current interest rates, credit risks and bid/ask spreads. Following initial recognition, changes in fair value are recognised in other comprehensive income, as the Company adopts hedge accounting for all interest rate swaps.

12 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 a cross guarantee to the Bank for debts or liabilities arising from the banking arrangement whereby each member company guarantees the obligations of each other member to the Bank.

As a result of the above pooling arrangements, at any reporting date, group companies will hold assets in a combination of intercompany balances and cash which can vary.

13 Ultimate parent company

The ultimate parent Company is 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 Link House, 25 West Street, Poole, Dorset BH15 1LD.

The immediate controlling parent company is Merlin Entertainments Group Luxembourg 3 S.à r.l., a company incorporated in Luxembourg, with a registered address of Polaris-Vertigo Building, 2-4 rue Eugene Ruppert, L-2453, Luxembourg.

14 Related subsidiary and joint venture undertakings

In addition to the direct investments in subsidiary undertakings listed in note 6, the Company has the following indirect investments in subsidiary and joint venture undertakings:

Company	Country of incorporation	Class of share held	Ownership 2018	Ownership 2017
AAE Unit Trust	Australia ⁽¹⁾	-	100.0%	100.0%
AQDEV Pty Limited	Australia ⁽²⁾	Ordinary	100.0%	100.0%
Aquia Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Australian Alpine Enterprises Holdings Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Australian Alpine Enterprises Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Australian Alpine Reservation Centre Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Falls Creek Ski Lifts Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Gebi Falls Creek Pty Ltd*	Australia ⁽¹⁾	Ordinary	57.0%	57.0%
Hotham Heights Developments Ltd*	Australia ⁽³⁾	Ordinary	65.0%	65.0%
Illawarra Tree Topps Pty Ltd	Australia ⁽³⁾	Ordinary	100.0%	100.0%
LEGOLAND Discovery Centre Melbourne Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Limlimbu Ski Flats Pty Ltd*	Australia ⁽⁴⁾	Ordinary	64.0%	64.0%
Living and Leisure Australia Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Living and Leisure Australia Trust	Australia ⁽¹⁾	-	100.0%	100.0%
Living and Leisure Australia Management Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Living and Leisure Finance Trust	Australia ⁽¹⁾	-	100.0%	100.0%
LLA Aquariums Pty Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

14 Related subsidiary and joint venture undertakings (continued)

Company	Country of incorporation	Class of share held	Ownership 2018	Ownership 2017
Melbourne Underwater World Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Melbourne Underwater World Trust	Australia ⁽¹⁾	-	100.0%	100.0%
ME LoanCo (Australia) Pty Limited	Australia ⁽²⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Australia) Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
MHSC DP Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
MHSC Hotels Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
MHSC Properties Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
MHSC Transportation Services Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Mount Hotham Management and Reservation Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Mount Hotham Skiing Company Pty Ltd*	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
MUW Holdings Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Northbank Development Trust	Australia ⁽¹⁾	-	100.0%	100.0%
Northbank Place (Vic) Pty Ltd	Australia ⁽⁵⁾	Ordinary	50.0%	50.0%
Oceanis Australia Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Oceanis Australia Unit Trust	Australia ⁽¹⁾	-	100.0%	100.0%
Oceanis Developments Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Oceanis Foundation Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Oceanis Holdings Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Oceanis Korea Unit Trust	Australia ⁽¹⁾	-	100.0%	100.0%
Oceanis NB Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Oceanis Northbank Trust	Australia ⁽¹⁾	-	100.0%	100.0%
Oceanis Unit Trust	Australia ⁽¹⁾	-	100.0%	100.0%
Sydney Attractions Group Pty Ltd	Australia ⁽²⁾	Ordinary	100.0%	100.0%
Sydney Tower Observatory Pty Limited	Australia ⁽²⁾	Ordinary	100.0%	100.0%
Sydney Wildlife World Pty Limited	Australia ⁽²⁾	Ordinary	100.0%	100.0%
The Otway Fly Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
The Otway Fly Unit Trust	Australia ⁽¹⁾	-	100.0%	100.0%
The Sydney Aquarium Company Pty Limited	Australia ⁽²⁾	Ordinary	100.0%	100.0%
Underwater World Sunshine Coast Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
US Fly Trust	Australia ⁽¹⁾	-	100.0%	100.0%
White Crystal (Mount Hotham) Pty Ltd*	Australia ⁽³⁾	Ordinary	82.6%	82.6%
Madame Tussauds Austria GmbH	Austria ⁽⁶⁾	Ordinary	100.0%	100.0%
MT Austria Holdings GmbH	Austria ⁽⁶⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre Belgium N.V.	Belgium ⁽⁷⁾	Ordinary	100.0%	100.0%
Christchurch Investment Company Limited	British Virgin Islands ⁽⁸⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Canada) Inc	Canada ⁽⁹⁾	Ordinary	100.0%	100.0%
Madame Tussauds Exhibition (Beijing) Company Limited	China ⁽¹⁰⁾	Ordinary	100.0%	100.0%
Madame Tussauds Exhibition (Shanghai) Company Limited	China ⁽¹¹⁾	Ordinary	100.0%	100.0%
Madame Tussauds Exhibition (Wuhan) Company Limited	China ⁽¹²⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Hong Kong Limited	China ⁽¹³⁾	Ordinary	100.0%	100.0%
Merlin Exhibition (Chongqing) Company Limited	China ⁽¹⁴⁾	Ordinary	100.0%	100.0%

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

14 Related subsidiary and joint venture undertakings (continued)

Company	Country of incorporation	Class of share held	Ownership 2018	Ownership 2017
Merlin Exhibition (Shenyang) Company Limited	China ⁽⁴⁷⁾	Ordinary	100.0%	100.0%
Merlin Indoor Children's Playground (Shanghai) Company Limited	China ⁽¹⁵⁾	Ordinary	100.0%	100.0%
Shanghai Chang Feng Oceanworld Co. Ltd	China ⁽¹⁶⁾	Ordinary	100.0%	100.0%
SEA LIFE Helsinki Oy	Finland ⁽¹⁷⁾	Ordinary	100.0%	100.0%
SEA LIFE France SARL	France ⁽¹⁸⁾	Ordinary	100.0%	100.0%
Tussauds Deutschland GmbH	Germany ⁽¹⁹⁾	Ordinary	100.0%	100.0%
Heide-Park Soltau GmbH	Germany ⁽¹⁹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments India Private Limited	India ⁽²⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Ireland 1 Limited	Ireland ⁽²¹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Ireland 2 Limited	Ireland ⁽²¹⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre Bray Limited	Ireland ⁽²²⁾	Ordinary	100.0%	100.0%
Gardaland S.r.l.	Italy ⁽²³⁾	Ordinary	99.9%	99.9%
Incoming Gardaland S.r.l.	Italy ⁽²⁴⁾	Ordinary	99.9%	99.9%
Merlin Attractions Italy S.r.l.	Italy ⁽²³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Italy S.r.l.	Italy ⁽²³⁾	Ordinary	100.0%	100.0%
Merlin Water Parks S.r.l.	Italy ⁽²³⁾	Ordinary	100.0%	100.0%
Ronchi del Garda S.p.A.	Italy ⁽²⁵⁾	Ordinary	49.4% ^(c)	49.4% ^(c)
Ronchi S.p.A.	Italy ⁽²³⁾	Ordinary	90.4%	90.4%
LEGOLAND Japan Limited	Japan ⁽²⁶⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Japan) Limited	Japan ⁽²⁷⁾	Ordinary	100.0%	100.0%
Merlin Lux Finco 1 S.à r.l.	Luxembourg ⁽²⁸⁾	Ordinary	100.0%	100.0%
Merlin Lux Finco 2 S.à r.l.	Luxembourg ⁽²⁸⁾	Ordinary	100.0%	100.0%
Amsterdam Dungeon B.V.	Netherlands ⁽²⁹⁾	Ordinary	100.0%	100.0%
Madame Tussauds Amsterdam B.V.	Netherlands ⁽³⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Holdings Nederland B.V.	Netherlands ⁽³¹⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre Scheveningen B.V.	Netherlands ⁽³²⁾	Ordinary	60.0%	60.0%
Auckland Aquarium Limited	New Zealand ⁽³³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (New Zealand) Limited	New Zealand ⁽³³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (SEA LIFE PORTO)				
Unipessoal Lda	Portugal ⁽³⁴⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Singapore Pte. Ltd	Singapore ⁽³⁵⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Korea Company Limited (formerly Aquaria Twenty-One Co. Ltd)	South Korea ⁽³⁶⁾	Ordinary	100.0%	100.0%
Busan Aquaria Twenty One Co. Ltd	South Korea ⁽³⁷⁾	Ordinary	100.0%	100.0%
LEGOLAND Korea LLC	South Korea ⁽³⁶⁾	Ordinary	100.0%	100.0%
SLCS SEA LIFE Centre Spain S.A.	Spain ⁽³⁸⁾	Ordinary	100.0%	100.0%
Siam Ocean World Bangkok Co Ltd	Thailand ⁽³⁹⁾	Ordinary	100.0%	100.0%
Istanbul Sualti Dunyasi Turizm Ticaret A.S	Turkey ⁽⁴⁰⁾	Ordinary	100.0%	100.0%
Madame Tussauds Museum LLC ^(b)	UAE ⁽⁴¹⁾	-	48.0%	48.0%
Merlin Holdings Limited ^(b)	UAE ⁽⁴²⁾	Ordinary	1.0%	1.0%
Alton Towers Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Alton Towers Resort Operations Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

14 Related subsidiary and joint venture undertakings (continued)

Company	Country of incorporation	Class of share held	Ownership 2018	Ownership 2017
Charcoal Holdco Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Charcoal Midco 1 Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Chessington World of Adventures Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Chessington World of Adventures Operations Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Chessington Zoo Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
CWA PropCo Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Iconic Images International Limited ^(d)	UK ⁽⁴³⁾	Ordinary	-	-
LEGOLAND US Holdings Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
LEGOLAND Windsor Park Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
London Aquarium (South Bank) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
London Dungeon Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
London Eye Holdings Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
London Eye Management Services Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Madame Tussaud's Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Madame Tussauds Touring Exhibition Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Attractions Management Limited ^(d)	UK ⁽⁴³⁾	Ordinary	-	-
Merlin Attractions Operations Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainment Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Asia Pacific) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Blackpool) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Dungeons) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (NBD) Limited (formerly Tussauds (NBD) Limited)	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (SEA LIFE) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Crown (UK) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Developments Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Employee Benefit Trustees Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Operations Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin's Magic Wand Trustees Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin UK Finance 1A Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Merlin UK Finance 2A Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Pirate Adventure Golf Limited ^(a)	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre (Blackpool) Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
SEA LIFE Trust Trustees Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
The London Planetarium Company Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
The Millennium Wheel Company Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
The Seal Sanctuary Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
The Tussauds Group Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Thorpe Park Operations Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Tussauds Attractions Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Tussauds Group (UK) Pension Plan Trustee Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

14 Related subsidiary and joint venture undertakings (continued)

Company	Country of incorporation	Class of share held	Ownership 2018	Ownership 2017
SEA LIFE Centres Limited (formerly Tussauds Hotels Limited)	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Tussauds Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Warwick Castle Limited	UK ⁽⁴³⁾	Ordinary	100.0%	100.0%
Lake George Fly LLC	USA ⁽⁴⁴⁾	-	100.0%	100.0%
LEGOLAND California LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Arizona LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Boston LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Columbus LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Centre (Dallas) LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Centre (Meadowlands) LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Michigan LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Philadelphia LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Center San Antonio LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND Discovery Centre US LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
LEGOLAND New York LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussauds Hollywood LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussaud Las Vegas LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussauds Nashville LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussaud's New York LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussauds Orlando LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussauds San Francisco LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Madame Tussauds Washington LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Merlin Entertainments Crown (US) Inc	USA ⁽⁴⁵⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Florida LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Merlin Entertainments Group US Holdings Inc	USA ⁽⁴⁵⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group US LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Merlin Entertainments Group Wheel LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Merlin Entertainments Short Breaks LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
Merlin Entertainments US NewCo LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
San Francisco Dungeon LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE Center San Antonio	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE Charlotte LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE Meadowlands LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE Michigan LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE Minnesota LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE Orlando LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
SEA LIFE US LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%
The Tussauds Group LLC	USA ⁽⁴⁵⁾	-	100.0%	100.0%

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

14 Related subsidiary and joint venture undertakings (continued)

Joint venture undertaking	Country of incorporation	Class of share held	Ownership 2018	Ownership 2017
LL Dubai Hotel LLC	UAE ⁽⁴⁶⁾	Ordinary	40.0%	40.0%

^(a) The Group acquired the remaining 50% of the Pirate Adventure Golf Joint venture on 12 September 2017.

^(b) Merlin Attractions Operations Limited (a related subsidiary undertaking) has 100% beneficial ownership of these entities.

^(c) Charcoal Newco 1 Limited has control over this entity via control of the immediate parent entity and the control that the immediate parent entity has over the subsidiary entity.

^(d) Companies dissolved on 6 December 2017.

* These subsidiaries have subsequently been disposed of as part of the Merlin Group's disposal of its Australian ski fields operations. The transaction completed in April 2019.

Registered offices:

- (1) Level 11, 50 Queen Street, Melbourne, VIC, 3000, Australia
- (2) Level 16, 201 Elizabeth Street, Sydney, NSW, 2000, Australia
- (3) 3 Ireland Street Bright, VIC, 3741, Australia
- (4) Falls Creek Road, 3699 Falls Creek, Victoria, Australia
- (5) Doncaster Road 861, 3109 Melbourne - Doncaster East, Victoria, Australia
- (6) Riesenradplatz 5-6, 1020 Wien, Vienna, Austria
- (7) Koning Albert 1 Laan 116, 8370, Blankenberge, Belgium
- (8) P.O. Box 3340, Road Town, Tortola, British Virgin Islands
- (9) Suite 5300 Commerce Court West, 199 Bay Street, Toronto, ON, M5L 1B9, Canada
- (10) No. 4, 6, 8, 10, 12, 14, 16, 18 Qianmen Avenue, Dongcheng District, Beijing, China
- (11) 10/F New World Building, No 2-68 Nanjing Xi Road, Shanghai 200003, China
- (12) 21, Han Street, Wuchang District, (Shops 40/41/42) Building 5, Lot J2, Wuhan, China
- (13) 3F, St John's Building, No. 33 Garden Road, Central, Hong Kong
- (14) 4-11, Fu 9, No. 133, Nanpin Road, Nan'an District, Chongqing, China
- (15) L2-25, 2F, 3F Parkside Plaza, Putuo District, Shanghai, China
- (16) 189, Dadhue Road, Pu Tuo District, Shanghai, 200062, China
- (17) Tivolitie 10, Helsinki 00510, Finland
- (18) Centre Commercial Val d'Europe, Espace 502, 14 cours du Danube, Serris, 7711 MARNE LA VALLEE, France
- (19) Heidenhof 1, 29614 Soltau, Germany
- (20) 44, Regal Building, Connaught Place, New Delhi, Central Delhi DL, 110001, India
- (21) 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
- (22) First Floor, Fitzwilton House, Wilton Place, Dublin 2, Ireland
- (23) Via Derna 4, Castelnuovo del Garda, 37014, Verona, Italy
- (24) Via Vivaldi n.7, Castelnuovo del Garda Verona, 37014, Verona, Italy
- (25) Loc Ronchi, Castel del Garda Verona, 37014, Verona, Italy
- (26) 2-2-1, Kinjoutou Minato-ku, Nagoya-shi, Japan
- (27) Island Mall, Decks Tokyo Beach, 1-6-1 Daiba, Minato-ku, Tokyo, Japan
- (28) Polaris-Vertigo Building, 2-4 rue Eugene Ruppert, L-2453, Luxembourg
- (29) Fred. Roeskestraat 123, 1076 EE Amsterdam, Netherlands
- (30) Dam 20 GEBOUW P&C, 1012 NP Amsterdam, Netherlands
- (31) Croeselaan 18, Utrecht, Netherlands
- (32) Rokin 78, 1012 KW Amsterdam, Netherlands
- (33) Level 12, 55 Shortland Street, Auckland 1010, New Zealand
- (34) Avenida Da Boavista 3265, 7th Floor, 4100 - 137 Porto, Portugal
- (35) 10, Changi Business Park Central 2, #05-01, HansaPoint@CBP, 486030, Singapore
- (36) 1411-4, Jung 1-dong, Haenudee-Gu, Busan, Republic of Korea

Notes to the financial statements (continued)
for the 52 weeks ended 29 December 2018 (2017: 52 weeks ended 30 December 2017)

14 Related subsidiary and joint venture undertakings (continued)

- (37) Yoseon-dong, 8F Moorim Building, 16 Joongang-ro, Chuncheon-si, Gangwon-do, Republic of Korea
- (38) Puerto Marina, Benalmadena-Costa, 29630 Benalmadena, Malaga, Spain
- (39) B1-B2 Floor Siam Paragon, 991 Rama 1 Road, Khweng Patumwan, Bangkok 10330, Thailand
- (40) Kocatepe Mah, Pasa Cad, Forum Istanbul AVM No. 5/5, Bayrampasa, Turkey
- (41) Office 1601, 48 Burj Gate, Burj Khalifa, Dubai, United Arab Emirates
- (42) Emaar Square, Building 3, Level 5, P.O. Box 37172, Dubai, United Arab Emirates
- (43) Link House, 25 West Street, Poole, Dorset, BH15 1LD, United Kingdom
- (44) 80 State Street, Albany, New York 12207-2543, United States
- (45) 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States
- (46) 201-01 Emaar Square, PO Box 123311, Dubai, United Arab Emirates
- (47) No.2 Jia-1, Bolan Road, Heping District, Shenyang, China