

**London Aquarium (South Bank) Limited**

Annual Report and financial statements

Registered number 06553877

52 weeks ended 25 December 2021



## Contents

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Strategic Report	1
Directors' Report	2
Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements	3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Notes to the financial statements	7

## Strategic Report

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The Directors present their Strategic Report for the 52 weeks ended 25 December 2021.

### Strategic management

The principal activity of the Company was to act as an agent in the operation of the SEA LIFE London Aquarium.

Under an agency agreement, the Company acts as an agent for Merlin Entertainments (SEA LIFE) Limited for which it receives an agency fee. The agreement was terminated on 25 December 2021 and accordingly the financial statements have not been prepared on a going concern basis. The current balances are anticipated to be released or distributed.

### Business performance

The Directors have determined that 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 25 December 2021 for the Company show a profit before tax of £196,000 (52 weeks ended 26 December 2020: £158,000). As at 25 December 2021, the Company had net assets of £8,078,000 (26 December 2020: £7,992,000). This is in line with expectations and the Directors are satisfied with the performance and position of the Company.

### Principal risks and uncertainties

The directors consider that the specific principal risks and uncertainties faced by the Company are as set out below. Together with the rest of the Merlin Entertainments Group, the Company has appropriate measures in place to mitigate these risks. These risks are discussed in further detail within the Annual Report and accounts of Motion JVco Limited and details of how to obtain these accounts can be found in note 1.

Risk type	Risk description
Liquidity / cashflow / financial risk	The risk of not having sufficient liquidity and cash to pay the Company's obligations as they fall due.
Credit risk	The Company relies on receiving cash from other companies in the Group in order to settle its obligations. The risk of financial loss arises to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

## Directors' Report

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The Directors present their Directors' Report and the financial statements for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020).

### Dividends

The Directors do not recommend the payment of a dividend (2020: *£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

The Articles of Association of the Company permit it to indemnify the Directors of the Company against liabilities arising from or in connection with the execution of their duties or powers to the extent permitted by law.

The Company has not given any specific indemnity in favour of the Directors during the year, but the Company has purchased Directors' and Officers' Liability Insurance, which provides cover for liabilities incurred by Directors in the performance of their duties or powers. No amount was paid under any Director's indemnity or the Directors' and Officers' Liability Insurance during the year.

### Charitable and political donations

The Company made no charitable or political donations during the year (2020: *£nil*).

### Going concern

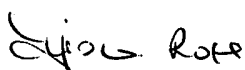
The financial statements have not been prepared on a going concern basis. As noted in the Strategic Report, under an agency agreement, the Company previously acted as an agent for Merlin Entertainments (SEA LIFE) Limited for which it received an agency fee. This agreement was terminated on 25 December 2021.

### 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 Strategic Report and the Directors' Report were both approved by the Board on 29 September 2022.

By order of the Board



**F Rose**

Director

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**

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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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement of comprehensive income**

*for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)*

	<i>Note</i>	<b>2021</b> <b>£000</b>	2020 £000
Revenue	2	196	158
<b>Profit before tax</b>		<b>196</b>	<b>158</b>
Taxation	4	(110)	(115)
<b>Profit for the year</b>		<b>86</b>	<b>43</b>
<b>Other comprehensive income for the year net of income tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>86</b>	<b>43</b>

## Statement of financial position

as at 25 December 2021 (2020: as at 26 December 2020)

	Note	2021 £000	2020 £000
<b>Current assets</b>			
Other receivables	5	8,303	8,239
<b>Total assets</b>		<b>8,303</b>	<b>8,239</b>
<b>Current liabilities</b>			
Other payables	6	(225)	(247)
<b>Total liabilities</b>		<b>(225)</b>	<b>(247)</b>
<b>Net assets</b>		<b>8,078</b>	<b>7,992</b>
<b>Capital and reserves</b>			
Share capital	7	-	-
Retained earnings		8,078	7,992
<b>Total equity</b>		<b>8,078</b>	<b>7,992</b>

For the year ending 25 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board of Directors on 29 September 2022 and were signed on its behalf by:



**F Rose**  
Director

**Statement of changes in equity**

*for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)*

	Share capital £000	Retained earnings £000	Total equity £000
At 28 December 2019	-	7,949	7,949
Income for the year	-	43	43
At 26 December 2020	-	7,992	7,992
Income for the year	-	86	86
At 25 December 2021	-	8,078	8,078



## Notes to the financial statements

*for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)*

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### 1 Accounting policies

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

These financial statements have been prepared for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020).

London Aquarium (South Bank) 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. The Company's ultimate parent undertaking is Motion JVco Limited. Motion JVco Limited includes the Company in their consolidated financial statements, which are prepared in accordance with adopted IFRSs. They are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) as applied in a non-going concern context.

Under an agency agreement, the Company previously acted as an agent for Merlin Entertainments (SEA LIFE) Limited for which it received an agency fee. This agency agreement was terminated on 25 December 2021 and accordingly these financial statements are not prepared on a going concern basis. All assets are stated at their recoverable amounts. It has not been necessary to make any provision for operating losses. No adjustments were necessary to the figures in moving to a non going concern basis.

The Company has prepared these financial statements in accordance with international accounting standards in conformity with the requirements of the 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.

As the consolidated financial statements of Motion JVco 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.

#### ***New accounting standards***

No new accounting standards, amendments, or IFRIC interpretations have had a significant impact on the Company during the year.

**Notes to the financial statements (continued)**  
**for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)**

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**1 Accounting policies (continued)**

***Judgements and estimates***

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.

***Judgements***

Management considers the following area to be the judgement that has the most significant effect on the amounts recognised in the financial statements:

- *Expected credit losses (note 5)* – the Company has exercised its judgement in assessing that there are no credit losses relating to financial assets.

***Estimates***

Management considers that there are no estimates that have a significant effect on the amounts recognised in the financial statements.

While this area does not present a significant risk resulting in a material adjustment, it is an area of focus for management.

***Revenue***

Revenue represents intercompany agency fees received.

***Other payables***

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

***Other receivables***

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.

***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 25 December 2021 (2020: 52 weeks ended 26 December 2020)**

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**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.

An equity instrument is any contract that has a residual interest in the assets of the Company after deducting all of its liabilities. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Where financial instruments consist of a combination of debt and equity, the Company will assess the substance of the arrangement in place and decide how to attribute values to each taking into consideration the policy definitions above.

The Company assesses expected credit losses (ECLs) in accordance with IFRS9 - Financial Assets, and makes a judgement as to whether allowances are required for ECLs based on the risk of non-payment, taking into account ageing, previous experience, economic conditions and forward-looking data.

The Company applies the 3-stage impairment model as prescribed by IFRS 9. If the Company assesses that there has not been a significant increase in the credit risk of a financial asset since initial recognition, then the asset is considered to be at Stage 1 of the model and 12 month expected credit losses (ECLs) are calculated on that asset. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

If the asset is subsequently assessed to have experienced a significant increase in credit risk the asset is considered to have moved to Stage 2 of the model and lifetime ECLs are calculated. If the asset has become credit-impaired it is considered to have moved to Stage 3.

The Company initially recognises loss allowances on financial assets at an amount equal to 12 month ECLs, which are the portion of ECLs that are possible within the 12 months after the reporting date. In measuring these ECLs the Company considers reasonable and supportable information that is relevant and available without undue cost or effort, which includes both historical and forward looking quantitative and qualitative information in applying IFRS 9's staging.

**Notes to the financial statements (continued)**  
**for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)**

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**1 Accounting policies (continued)**

**Classification of financial instruments issued by the Company (continued)**

At each reporting date the Company assesses whether financial assets are 'credit-impaired'. The Company considers that a financial asset is credit-impaired when one or more of the following events have occurred:

- significant financial difficulty of the borrower;
- a breach of contract or default event;
- the restructure of a loan by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or financial reorganisation.

Once the stage of the asset has been determined, the Company calculates an ECL on a probability weighted basis by adopting the methodology; Probability of Default (PD) \* Loss Given Default (LGD) \* Exposure at Default (EAD).

In determining each of the above components the Company considers the contractual terms of the asset. Historical and forward-looking information of borrowers are considered in the case of intercompany receivables. In assessing PD the Company uses comparable market available data for credit default swap spreads. In assessing LGD the Company considers asset recoverability including collateral and credit enhancements. Loss allowances for financial assets measured are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset at amortised cost is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or portion thereof. The Company makes an assessment with respect to the timing and amount of the write-off based on expectations of recovery by considering indicators such as 180 days past due.

**2 Revenue**

Revenue is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

**3 Operating profit**

For the 2020 and 2021 year ends the Company has taken exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. 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.

**Notes to the financial statements (continued)**  
*for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)*

**4 Taxation**

*Recognised in the income statement*

	<b>2021</b>	2020
	<b>£000</b>	£000
<i>Current tax expense</i>		
Total current income tax	<b>110</b>	115
Total tax expense in income statement	<b>110</b>	115

*Reconciliation of effective tax rate*

	<b>2021</b>	<b>2021</b>	2020	2020
	<b>%</b>	<b>£000</b>	<b>%</b>	<b>£000</b>
Profit before tax		<b>196</b>		158
Income tax using the domestic corporation tax rate	<b>19.0%</b>	<b>37</b>	19.0%	30
Imputed interest		<b>73</b>		85
Total tax expense in the income statement	<b>55.8%</b>	<b>110</b>	72.9%	115

The standard rate for UK corporation tax used in the 52 weeks ended 25 December 2021 was 19.0% (2020: 19.0%). This was expected to be increased to 25% from April 2023, as announced in the March 2021 Budget. The UK Government subsequently announced on 23<sup>rd</sup> September 2022 that this increase will be reversed.

**5 Other receivables**

	<b>Current</b>	Current
	<b>2021</b>	2020
	<b>£000</b>	£000
Amounts owed from Group undertakings	<b>8,303</b>	8,239

The amounts owed by Group undertakings are classified as financial assets and as such are recorded at amortised cost in accordance with the "Classification of financial instruments issued by the Company" accounting policy disclosed on pages 9 and 10 of these accounts.

The Company considers the carrying amount of these assets to be a reasonable approximation to their fair value.

*Credit risk*

Credit risk is limited to the carrying value of the amounts due as noted above. Credit risk is the risk of financial loss to the Company arising if the counterparty to a financial instrument fails to meet its contractual obligations. All financial assets are concluded with companies within the Merlin Entertainments Group, which are expected to fully perform under the terms of the respective agreements. The Company does not expect any counterparties to fail to meet their obligations. The Company assessed the credit risk for the loans based on the long-term corporate credit rating of the Group. At 25 December 2021 all assets within the Company were performing with none past due or credit impaired.

The Company has assessed for Expected Credit Losses (ECLs) in accordance with the aforementioned policy and no material adjustments arose as a result of this assessment. This reflects the assessment of the quality of the receivables

**Notes to the financial statements (continued)**  
*for the 52 weeks ended 25 December 2021 (2020: 52 weeks ended 26 December 2020)*

**6 Other payables**

	<b>Current 2021 £000</b>	Current 2020 £000
Amounts owed to Group undertakings	<b>225</b>	247

**7 Share capital and reserves**

**Share capital**

	<b>2021 £000</b>	2020 £000
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	-	-

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.

**8 Ultimate parent company**

The ultimate parent Company is Motion JVco Limited, a Company incorporated in the United Kingdom, which prepares Group financial statements.

The immediate parent company is Merlin Entertainments (SEA LIFE) Limited, with a registered address of Link House, 25 West Street, Poole, Dorset BH15 1LD.