

**Charcoal Newco 1 Limited**

**Directors' report and financial  
statements**

Registered number 6128686  
52 weeks ended 26 December 2009



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## Directors' report

The directors present their annual report and the audited financial statements for the 52 weeks ended 26 December 2009

### Business review

#### *Principal activity and future developments*

The principal activity of the company throughout the period was to act as a holding company. The results for the company show a profit before tax of £10,203,000 (2008 £12,853,000). As at 26 December 2009, the company had net assets of £28,478,000 (27 December 2008 £18,275,000). 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 Group Luxembourg S a r l and details of how to obtain these accounts can be found in note 12. Given the limited nature of the company's operations no key performance indicators have been identified for the company's activities.

### Dividends

The directors do not recommend the payment of a dividend (2008 £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

AC Carr  
N J Varney

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 (2008 £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 auditors are 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 auditors are 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.

By order of the board



C Armstrong  
Company Secretary

6 May 2010

3 Market Close  
Poole  
Dorset  
BH15 1NQ

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

The directors are responsible for preparing 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 auditors' report to the members of Charcoal Newco 1 Limited**

We have audited the financial statements of Charcoal Newco 1 Limited for the 52 weeks ended 26 December 2009 set out on pages 5 to 11. 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 26 December 2009 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Charcoal Newco 1 Limited *(continued)***

### **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



**Philip Pateman**

**Senior Statutory Auditor**

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Dukes Keep

Marsh Lane

Southampton

SO14 3EX

7 May 2010

**Profit and loss account**  
*for the 52 weeks ended 26 December 2009*

		<b>52 weeks ended 26 December 2009 £000</b>	<b>52 weeks ended 27 December 2008 £000</b>
	<i>Note</i>		
Interest receivable and similar income	3	10,203	12,853
<b>Profit on ordinary activities before taxation</b>	2	10,203	12,853
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial period</b>	10	10,203	12,853

There are no recognised gains or losses other than the profit for the 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 26 December 2009*

	<i>Note</i>	<b>26 December 2009</b>		<b>27 December 2008</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	5		100		100
<b>Current assets</b>					
Debtors amounts falling due within one year	6	21,884		11,290	
Debtors amounts falling due after one year	7	125,218		132,768	
		<b>147,102</b>		<b>144,058</b>	
<b>Net current assets</b>			<b>147,102</b>		<b>144,058</b>
<b>Total assets less current liabilities</b>			<b>147,202</b>		<b>144,158</b>
<b>Creditors:</b> amounts falling due after more than one year	8		<b>(118,724)</b>		<b>(125,883)</b>
<b>Net assets</b>			<b>28,478</b>		<b>18,275</b>
<b>Capital and reserves</b>					
Called up share capital	9		100		100
Profit and loss account	10		28,378		18,175
<b>Shareholders' funds</b>	11		<b>28,478</b>		<b>18,275</b>

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

6 May 2010

and were signed on its



**AC Carr**  
*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 26 December 2009 (2008 52 weeks ended 27 December 2008) The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and on a going concern basis

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review in the Directors' 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 Group wide position are described in the consolidated financial statements of Merlin Entertainments Group Luxembourg S à r.l , available to the public from the address in note 12

In addition, the notes to the consolidated financial statements of Merlin Entertainments Group Luxembourg S à r.l 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 Group Luxembourg S à r.l , 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 Group Luxembourg S à r.l , within which this company is included, can be obtained from the address given in note 12 The company has adopted the revisions to FRS 8 in the period Under this revised standard, a related party is as defined in IAS 24 Related Party Disclosures No new related parties were identified as a result of adopting this standard

#### *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

## Notes (continued)

### 1 Accounting policies (continued)

#### 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

### 2 Notes to the profit and loss account

The auditor's remuneration for the period of £2,000 (2008 £2,000) 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 26 December 2009 £000	52 weeks ended 27 December 2008 £000
Interest receivable from group undertakings	9,059	7,564
Net exchange gains	1,144	5,289
	<u>10,203</u>	<u>12,853</u>

## Notes (continued)

### 4 Taxation

	52 weeks ended 26 December 2009 £000	52 weeks ended 27 December 2008 £000
<i>UK corporation tax</i>		
Current tax on profits for the period	-	-
Tax on profit on ordinary activities	-	-

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

The current tax charge for the period is lower (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 28%). The differences are explained below

	52 weeks ended 26 December 2009 £000	52 weeks ended 27 December 2008 £000
Profit on ordinary activities before taxation	10,203	12,853
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28%)	2,857	3,599
<i>Effects of</i>		
Non taxable income	(2,857)	(3,599)
Total current tax charge (see above)	-	-

### 5 Fixed asset investments

	Shares in subsidiary undertakings £000
<i>Cost and Carrying value</i>	
At 28 December 2008 and 26 December 2009	100

Company	Activity	Country of incorporation	Shareholding	Description of shares held
Charcoal Newco 1a Limited	Holding company	England and Wales	100%	Ordinary

**Notes (continued)**

**6 Debtors: amounts falling due within one year**

	2009 £000	2008 £000
Amounts owed by group undertakings	<u>21,884</u>	<u>11,290</u>

**7 Debtors: amounts falling due after more than one year**

	2009 £000	2008 £000
Amounts owed by group undertakings	<u>125,218</u>	<u>132,768</u>

**8 Creditors: amounts falling due after more than one year**

	2009 £000	2008 £000
Amounts owed to group undertakings	<u>118,724</u>	<u>125,883</u>

**9 Called up share capital**

	2009 £000	2008 £000
<i>Authorised</i> 101,000 ordinary shares of £1 each	<u>101</u>	<u>101</u>
<i>Allotted, called up and fully paid</i> 100,100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**10 Reserves**

	Profit and loss account £000
At 28 December 2008	18,175
Profit for the financial period	<u>10,203</u>
<b>At 26 December 2009</b>	<b><u>28,378</u></b>

## Notes (continued)

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

	2009 £000	2008 £000
Opening shareholders' funds	18,275	5,422
Profit for the financial period	10,203	12,853
Closing shareholder's funds	<u>28,478</u>	<u>18,275</u>

### 12 Ultimate parent company

The ultimate parent undertaking is Merlin Entertainments Group Luxembourg S à r l a company incorporated in Luxembourg, 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 controlling parent company is Merlin Entertainments Group Luxembourg 3 S à r l, a company incorporated in Luxembourg.