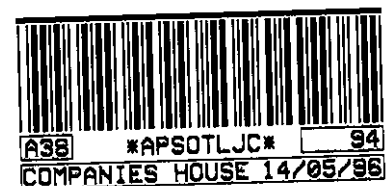


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**LEGOLAND Windsor Park
Limited**
(formerly LEGO Park Operation UK
Limited)

Report and Accounts

31 December 1995



LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

Registered No. 2721728

DIRECTORS

C M Nielsen (Chairman)
J Bøndergaard
S A Madsen
R Powell
G Carpenter
R Montgomery
K Kalcher

SECRETARY

R Powell

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

SOLICITORS

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ

REGISTERED OFFICE

200 Aldersgate Street
London EC1A 4JJ

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1995.

RESULTS AND DIVIDENDS

The loss for the year amounted to £4,887,000 (1994 – loss of £3,467,000).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On 2 December 1992 the company entered into a contract to purchase certain assets from Windsor Safari Park Limited and the world's first LEGO Park outside Denmark is being developed on the site acquired. Completion of the purchase of the site took place on 3 January 1994 and the company continued the development of the Park through the year. The Park opens in March 1996.

SHARE CAPITAL

The changes in the share capital during the year are summarised in note 12.

FIXED ASSETS

The changes in fixed assets during the year are summarised in note 7.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were those listed on page 1.

No director held any disclosable interest in the shares of the company or any other group undertaking.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



Secretary

30 April 1996

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of LEGOLAND Windsor Park Limited (formerly LEGO Park Operation UK Limited)

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

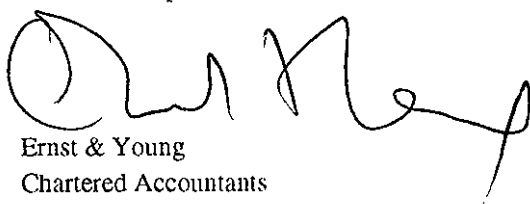
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

30 April 1996

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

	Notes	1995 £000	1994 £000
Continuing Operations:			
Administrative expenses		(5,079)	(3,544)
OPERATING LOSS	2	(5,079)	(3,544)
Interest receivable	5	217	79
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,862)	(3,465)
Tax on loss on ordinary activities	6	(25)	(2)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(4,887)	(3,467)
LOSS CARRIED FORWARD	13	(4,887)	(3,467)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no gains or losses other than those recognised in the profit and loss account.

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

BALANCE SHEET
as at 31 December 1995

	Notes	1995 £000	1994 £000
FIXED ASSETS			
Tangible assets	7	65,097	27,995
CURRENT ASSETS			
Stock	8	334	390
Debtors	9	2,010	502
Cash		6,419	1,138
		8,763	2,030
CREDITORS: amounts falling due within one year	10	(6,777)	(2,333)
NET CURRENT ASSETS/(LIABILITIES)		1,986	(303)
TOTAL ASSETS LESS CURRENT LIABILITIES		67,083	27,692
CREDITORS: amounts falling due after more than one year	11	(712)	(234)
		66,371	27,458
CAPITAL AND RESERVES			
Equity share capital	12,13	75,800	32,000
Profit and loss account	13	(9,429)	(4,542)
		66,371	27,458

Director

R. Montgomery
Ch. Alb. 17/2

30 April 1996

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

NOTES TO THE ACCOUNTS
at 31 December 1995

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Statement of cash flows

The company, being a subsidiary undertaking of an EC parent undertaking is taking advantage of the exemption in Financial Reporting Standard No. 1 not to present a statement of cash flows.

Stock

Stocks are stated at the lower of cost incurred in bringing the product to its present location and condition, and net realisable value. Cost represents purchase cost on a first-in, first-out basis.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	25 years
Plant and machinery	-	5-10 years
Fixtures and fittings	-	10 years
Motor vehicles	-	6 years
LEGO models	-	3 years

Freehold buildings will be depreciated from completion of the development.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2. OPERATING LOSS

This is stated after charging:

	1995 £000	1994 £000
Auditors' remuneration - audit	11	10
- non audit	36	61
Depreciation of owned assets	180	149
Operating lease rentals - land and buildings	113	112
	<u> </u>	<u> </u>

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

NOTES TO THE ACCOUNTS
at 31 December 1995

3. DIRECTORS' EMOLUMENTS

	1995 £000	1994 £000
Other emoluments (including pension contributions)	85	62

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995 No.	1994 No.
£nil - £5,000	6	6
£55,001 - £60,000	-	1
£75,001 - £80,000	1	-

The emoluments, excluding pension contributions, of the chairman were £nil (1994 - £nil).

The emoluments, excluding pension contributions, of the highest paid director were £77,450 (1994 - £57,180).

4. STAFF COSTS

	1995 £000	1994 £000
Wages and salaries	1,189	1,053
Social security costs	92	82
Other pension costs	47	-
	1,328	1,135

The average weekly number of staff including directors during the year was as follows:

	1995 No.	1994 No.
Manufacturing	31	29
Management and administrative	47	23
	78	52

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £000	1994 £000
Bank interest receivable	217	72
Other	-	7
	217	79

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

NOTES TO THE ACCOUNTS
at 31 December 1995

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	1995 £000	1994 £000
UK corporation tax at 33% (1994 – 33%)	25	2

UK corporation tax has been provided on interest income received. Part of the tax charge for the year has been covered by group relief from its parent undertaking for which no payment has been made.

7. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures & fittings £000</i>	<i>Assets in the course of construction £000</i>	<i>Total £000</i>
Cost:					
At 1 January 1995	11,133	408	454	16,175	28,170
Additions	–	63	94	37,140	37,297
Disposals	–	(18)	–	–	(18)
At 31 December 1995	11,133	453	548	53,315	65,449
Depreciation:					
At 1 January 1995	–	51	124	–	175
Provided during the year	–	60	120	–	180
Disposals	–	(3)	–	–	(3)
At 31 December 1995	–	108	244	–	352
Net book value:					
At 31 December 1995	11,133	345	304	53,315	65,097
At 1 January 1995	11,133	357	330	16,175	27,995

8. STOCK

	1995 £000	1994 £000
Raw materials	334	390

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

NOTES TO THE ACCOUNTS
at 31 December 1995

9. DEBTORS

	1995 £000	1994 £000
VAT recoverable	1,611	327
Other debtors	84	9
Prepayments and accrued income	104	136
Amounts owed by parent undertaking	2	12
Amounts owed by fellow subsidiary undertakings	206	18
Amounts owed by connected company	3	-
	<u>2,010</u>	<u>502</u>

10. CREDITORS: amounts falling due within one year

	1995 £000	1994 £000
Trade creditors	6,123	1,963
Corporation tax	25	2
Other taxes and social security costs	77	44
Accruals and deferred income	386	211
Amounts owed to fellow subsidiary undertaking	136	99
Amounts owed to connected company	30	14
	<u>6,777</u>	<u>2,333</u>

11. CREDITORS: amounts falling due after more than one year

	1995 £000	1994 £000
Trade creditors	<u>712</u>	<u>234</u>

12. SHARE CAPITAL

	1995 No.	Authorised 1994 No.	Allotted, called up and fully paid 1995 £000	1994 £000
Ordinary shares of £1 each	<u>35,000,000</u>	<u>50,000,000</u>	<u>35,000</u>	<u>32,000</u>
Redeemable ordinary shares of £1 each	<u>50,000,000</u>	<u>-</u>	<u>40,800</u>	<u>-</u>

On 14 March 1995 the company increased its authorised share capital to 85,000,000 £1 ordinary shares by creating an additional 35,000,000 £1 ordinary shares.

On 14 March 1995 the company designated 50,000,000 £1 ordinary shares of its authorised share capital to be £1 redeemable ordinary shares, as permitted under the Memorandum and Articles of Association of the company.

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

NOTES TO THE ACCOUNTS
at 31 December 1995

12. SHARE CAPITAL (continued)

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

The company issued the following number of £1 ordinary shares and £1 redeemable shares at par to its parent undertaking on the following dates. The proceeds received were used to provide further working capital.

	<i>Number of £1 ordinary shares issued</i>	<i>Number of £1 redeemable ordinary shares issued</i>
14 March 1995	3,000,000	4,500,000
6 July 1995	—	8,000,000
17 July 1995	—	1,200,000
14 August 1995	—	4,400,000
11 September 1995	—	5,600,000
10 October 1995	—	3,200,000
14 November 1995	—	2,600,000
11 December 1995	—	11,300,000

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 1994	14,100	(1,075)	13,025
Shares issued in 1994	17,900	—	17,900
Loss for the year	—	(3,467)	(3,467)
Balance at 31 December 1994	32,000	(4,542)	27,458
Shares issued in 1995	43,800	—	43,800
Loss for the year	—	(4,887)	(4,887)
Balance at 31 December 1995	75,800	(9,429)	66,371

14. CAPITAL COMMITMENTS

At 31 December 1995 the company had the following commitments in respect of the development of the Park.

	<i>1995 £000</i>	<i>1994 £000</i>
Authorised not contracted	513	32,928
Contracted not provided	6,485	14,686

LEGOLAND Windsor Park Limited
(formerly LEGO Park Operation UK Limited)

NOTES TO THE ACCOUNTS
at 31 December 1995

15. OTHER FINANCIAL COMMITMENTS

At 31 December 1995 the company had annual commitments under non-cancellable operating leases in respect of land and buildings as set out below:

	1995 £000	1994 £000
Operating leases which expire:		
Within one year	12	-
Within two to five years	92	113

16. PENSION CONTRIBUTIONS

The company contributes to a number of money purchase schemes for certain of its directors and all employees.

17. POST BALANCE SHEET EVENT

On 8 February 1996 the company issued a further 2,000,000 £1 ordinary redeemable shares at par to its parent undertaking.

18. ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of LEGO Park Holding UK Limited, a company incorporated in England and Wales, into which company's accounts LEGOLAND Windsor Part Limited has been consolidated. The ultimate parent undertaking is LEGO A/S, a company incorporated in Denmark. Copies of the accounts of LEGO A/S are available from Erhvervs og Selskabsstyrelsen, Kampmannsgade 1, DK-1780 Copenhagen V, Denmark.