



MOTION JVCO LIMITED
ANNUAL REPORT AND ACCOUNTS 2024

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At the end of 2024 the Group operated:

135
attractions

with
5,632
rooms

in
22
countries

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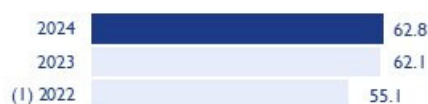
KPIs

62.8_m

VISITORS

+1.1%

2023: 62.1m

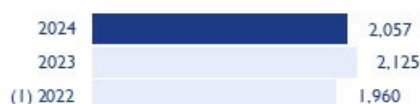


£2,057_m

REVENUE

-3.2%

2023: £2,125m



£285_m

UNDERLYING
OPERATING PROFIT

2023: £408m

£(132)_m

TOTAL
OPERATING LOSS

2023: profit of £172m

£(492)_m

LOSS BEFORE TAX

2023: £(214)m

GUEST SATISFACTION

In 2024 we showed improved scores on the percentage of guest surveys reporting the 'Top Box' level of satisfaction, which increased to 73%, and also improved on our 'Net Promoter' metric that measures whether a guest would recommend our attractions.

See more on page 9.

HEALTH, SAFETY & SECURITY

Health, safety and security is our number one priority.

In 2024 we reported a continued low level of Medical Treatment Case (MTC) rates. This data captures the number of guest injuries requiring external medical treatment per 10,000 guest visitations. This again measured 0.01 for 2024, consistent with 2023.

See more on pages 28 to 29.

EMPLOYEE ENGAGEMENT

In 2024 more than 20,000 staff completed our employee culture survey, a response rate of 86%, and our engagement score increased to 69% from 68% in 2023.

See more on page 9.

How we report our results

- Motion JVco Limited (the Company) has been the parent company of the Merlin Entertainments Limited group of companies (Merlin, Merlin Group), since acquiring the Merlin Group in November 2019. Where the strategic report refers to longer term historical activities and strategic initiatives, these should be read as referring to the continuing Merlin business as if the Company had been the parent company in that period.
- Details on the period under review and the performance measures used are set out in the Financial and operating review on page 18.
- Terms used throughout this document are defined in the Glossary on pages 113 to 114.

(1) In 2022 we reported on the 53 weeks to 31 December 2022. Profit metrics were provided on a 53 week statutory basis in the financial statements. Consistent with Merlin's approach in previous years, we also present unaudited '52 week' information for 2022 where it will provide a more direct comparison of performance.

AT A GLANCE

A GLOBAL LEADER IN BRANDED ENTERTAINMENT DESTINATIONS

MERLIN BRINGS TREASURED BRANDS TO LIFE, CREATING JOYFUL EXPERIENCES FOR GUESTS AT 135 ATTRACTIONS AND THEME PARKS, SPANNING 22 COUNTRIES AND FOUR CONTINENTS.

Our purpose	We bring joy, create connections and make memories.
Our vision	To be the global leader of branded entertainment destinations.
Our strategy	Continue to be the partner of choice for owners of the world's most beloved brands We drive long term success by co-creating with the owners of iconic IP to bring their brands to life. Using our 'idea-to-experience' expertise, we create immersive attractions that blend physical construction, digital innovation and exceptional guest service. Elevate guest experiences and premiumise our portfolio We are attracting more guests to spend more time with us and enjoy a wider range of attractions by elevating our estate, creating world class short break resorts, growing our city centre attraction clusters and developing powerful IP on a global scale. Transform our operating model to unlock growth We are making Merlin a globally integrated company, adept at scaling successful formats at speed, and skilled at using deep customer insights, AI and data to drive effective pricing, marketing and operations.

Our portfolio of destinations is diversified across geography, attraction type, brand and customer demographic, giving us a unique expertise that has made us a trusted partner for world class IP owners including: the LEGO® brand, Marvel, Hasbro, Lucasfilm, Sony Pictures Entertainment, Ferrari, the BBC and Warner Bros.

We bring our family of branded entertainment destinations to life through the work of our three types of attractions. Up to the end of 2024 these were organised into separate Operating Groups, which were also our three reporting segments. From 2025, these Operating Groups have come together as one, to drive a more consistent approach across geographies and create synergies, through leadership in the four regions of North America, UK, Europe and Asia Pacific. We will therefore report our results in these four segments from 2025 onwards.

LEGOLAND® Parks bring the LEGO brand to life on an epic scale. We currently operate ten LEGOLAND resorts and are actively developing further new LEGOLAND projects in China. Merlin holds exclusive global rights to the LEGOLAND brand, and we are realising the significant growth potential of these locations by expanding our parks into 'mega-resort' short break destinations, offering our guests themed accommodation, second gate attractions and LEGO themed experiences that are rich in interactive features. We also operate LEGO/LEGOLAND Discovery Centres (the ultimate indoor LEGO playgrounds), as Gateway attractions.

Resort Theme Parks offer unforgettable adventures for families, teenagers and young adults, with high brand and customer awareness in their regional markets. The resorts offer a wide range of original and third party IP-focused rides and attractions as well as themed accommodation to provide an immersive, multi-day experience. Currently, our portfolio includes leading theme parks in the UK – Alton Towers Resort, Thorpe Park, and Chessington World of Adventures Resort, as well as Gardaland Resort in Italy and Heide Park Resort in Northern Germany. From 2024 Warwick Castle's results are reported as part of Gateway Attractions.

Gateway Attractions offer tourists and city residents some of the world's most exciting and recognisable entertainment brands, including Madame Tussauds, SEA LIFE and Peppa Pig. These are predominantly indoor attractions, located in the world's most important tourist cities, family-dense residential cities, and other locations across the UK, Europe, North America and Asia Pacific regions. We continue to introduce new brands and formats, developed in-house and with industry-leading partners, and are the only company to successfully operate this model on a global scale.

Formerly known as Midway Attractions, we renamed this Operating Group as Gateway Attractions to signal our strategic focus on growing in the world's most significant tourist and residential locations, where there is demand for premium entertainment experiences centred around world famous brands.

Our strategy for our priority markets is to unlock further growth by 'clustering' multiple attractions around a 'must-do' anchor attraction, delivering operational and commercial synergies through economies of scale, as has been successfully executed at our London 'mega-cluster'. Residential clusters also have future potential growth as we increasingly look to leverage our current clusters, adding brands and experiences to scale management talent and deepen commercial real estate relationships.

Our attractions are supported by **Merlin Magic Making**, our powerhouse of creative innovation, design, project management and production. Merlin Magic Making creates the extraordinary experiences of tomorrow by bringing together the world's greatest builders, dreamers and makers and unleashing their talents. This global team is responsible for: driving innovation across Merlin and creating compelling propositions for our attractions; developing new concepts into commercially viable attractions; producing compelling content; and overseeing the construction of new attractions and investment projects.

AT A GLANCE

A GLOBAL LEADER IN BRANDED ENTERTAINMENT DESTINATIONS

A GLOBAL PORTFOLIO OF ATTRACTIONS AND ACCOMMODATION, REACHING ALL TARGET DEMOGRAPHICS

	UK	Continental Europe	Americas	Asia Pacific	Total	Brand Demographics
LEGOLAND PARKS						
	Windsor, UK (359 rooms)	Billund, Denmark (578 rooms)	California, USA (500 rooms)	Dubai, UAE (250 rooms)		
		Günzburg, Germany (589 rooms)	Florida, USA (468 rooms)	Johor, Malaysia (263 rooms)		
			New York, USA (250 rooms)	Nagoya, Japan (252 rooms)		
				Chuncheon, South Korea (154 rooms)		
Total					10 parks 3,663 rooms	Families
RESORT THEME PARKS						
	Alton Towers Resort, UK (694 rooms)	Gardaland Resort, Italy (475 rooms)				Families, teenagers and young adults
		Heide Park Resort, Germany (329 rooms)				
	Chessington World of Adventures Resort, UK (254 rooms)					Families
	Thorpe Park Resort, UK (90 rooms)					Teenagers and young adults
Total					5 parks 1,842 rooms	
GATEWAY ATTRACTIONS (Global brands)						
SEA LIFE 	10	13	10	11	44	Families and city centre tourists
LEGO/LEGOLAND Discovery Centres 	2	4	15	7	28	Families
Madame Tussauds 	2	3	5	10	20	Families and city centre tourists
Dungeons 	6	3	-	-	9	Teenagers, young adults and city centre tourists
Eye 	2	-	1	1	4	City centre tourists
Peppa Pig World of Play 	-	1	3	1	5	Pre-school families
Peppa Pig Theme Park (see Glossary on page 114) 	-	1	1	-	2	Pre-school families
Warwick Castle 	1 127 rooms	-	-	-	1 127 rooms	Families
Other	3	1	-	3	7	
Total	26	26	35	33	120 127 rooms	

CHIEF EXECUTIVE'S INTRODUCTION

TRANSFORMING THE BUSINESS TO GROW AT SCALE

2024 overview

I am honoured to be writing this introduction as the new Chief Executive Officer (CEO) of Merlin Entertainments. I am grateful to the Board for the confidence they have placed in me to lead the next chapter in our journey to become the global leader in branded entertainment destinations.

Merlin is a truly world class company, with remarkable global reach and impact. Over the past decade – as both Chief Operating Officer and Global Marketing Director at Merlin – I have seen first hand what the business is capable of. Our task now is to drive growth at scale so that Merlin reaches its full potential.

As we look back on 2024, we must acknowledge the challenging market headwinds – in all key geographies – which have continued to impact discretionary spend by consumers. This trend is affecting the whole industry, and we have had to adapt to this reality, not least by increasing promotions and discounts, along with marketing spend, to attract guests who are increasingly selective in where and how they spend their disposable income. Our efforts have borne fruit, with an increase in visitor numbers (compared to 2023). Nevertheless, 2024 saw a modest reduction (compared to 2023) in global revenue, which is similar to that faced by our US counterparts in the current trading environment.

Notwithstanding these wider challenges, Merlin's revenue per capita continues to be significantly higher than 2019 (pre-pandemic), as the business benefits from an efficient and synergistic operating model which maximises the value of our existing estate by diversifying income generation opportunities.

We are confident that the focus on optimising Merlin's portfolio, along with targeted new openings in growth regions (such as in North America and Asia Pacific), puts us in a strong position to sustain and grow market share – and revenue – in the years ahead. In parallel to this, we have adopted a global transformational strategy, with a priority focus on reducing our operating costs and making the business more efficient and agile. The implementation of this strategy is now getting underway and will see us take advantage of our scale both in terms of our operating model and procurement. Quite simply, we are bringing our 135 separate attractions together into one united business, managed by region.

As part of maximising the value of our existing estate, we are focused on upgrading our core capabilities, with investment in technology, data and insight to enhance the guest experience and drive revenue opportunities. We are also incubating revenue streams of the future, such as entering new partnerships with world famous IPs such as Minecraft and taking advantage of sponsorship opportunities at high profile attractions.

As the business navigates this period of change, we will remain focused on our overall purpose: creating memorable experiences that inspire joy and build connections. None of this would be possible without Merlin's dedicated employees who bring these experiences to life on a daily basis. As CEO, I not only lead our exceptional executive management team, but the business as a whole. Our teams on the frontline at our attractions are critical to our overall priorities – operational excellence, guest experience and performance – and I look forward to meeting many more of them over the year ahead.

2024 trading

We welcomed 62.8 million visitors to Merlin's attractions in 2024 (2023: 62.1 million), with revenue of £2,057 million, a modest decrease of £68 million compared to 2023.

As noted above, Merlin – like many others in our industry – has been impacted by challenging market headwinds, as consumers continue to be selective when spending their leisure time and disposable income, leading to softer demand in a number of locations. Responding swiftly, we adapted our approach to revenue management and promotions in a highly competitive environment, seeking to maintain demand. A number of our competitors – particularly in North America – have also been flexing prices to maintain guest volumes, however we recognise that some of our North American competitors have been more successful at maintaining margin during this period.

Our interventions with promotions and discounts had a positive impact on bolstering volumes during key trading periods, although also had the effect of diluting margin in certain locations. A number of our attractions showed year-on-year growth with robust trading – particularly where locations have been subject to capital investment or new openings, acquisitions or high profile campaigns. Examples of this include the addition of the 'Hyperia' rollercoaster at Thorpe Park, the acquisition of the Orlando Eye and the high profile campaign with 'Pesto the Penguin' at SEA LIFE Melbourne Aquarium.

The opening of other new sites – such as Europe's first Peppa Pig Theme Park alongside LEGOLAND Deutschland Resort – has also helped drive overall visitation. The introduction of new visitor accommodation in a number of locations – including LEGOLAND Windsor Resort and Warwick Castle – has also had a positive impact on revenue. However, our recently opened resorts at LEGOLAND New York and LEGOLAND Korea continue to trade below expectations, each reflecting their local trading circumstances. We ceased operations at a small number of Gateway sites which did not align to our longer term strategy. These sites were not positively contributing to performance.

Poor weather has disrupted trading at a number of sites, demonstrating the importance of our diversified model, including both indoor and outdoor attractions, as well as long and short stay experiences. The ongoing focus on transforming theme parks from single day attractions to multi-day resort destinations (with second gates and more indoor elements) will help to mitigate such impacts in the future.

Employment cost pressures have impacted many locations, with wage increases from inflation and minimum wage settlements. Staff expenses also grew reflecting an investment in capability in selected central teams, such as technology and strategy, in order to accelerate value creation into the medium term. We increased marketing spend (including in relation to promotions and discounts) in order to stimulate demand in a highly competitive market, and to promote new offerings. In most locations this acted to drive volume in a weak demand market however some of these activities didn't return value as we expected. To mitigate this we introduced more stringent spending discipline measures – such as selective hiring freezes and a reduction in discretionary expenses. Further initiatives to control and reduce our cost base, including smarter procurement, are now being implemented.

Reflecting our anticipation of slower economic recovery in the medium term in certain geographies, and the expectation that our newer parks will take longer than planned to reach operating maturity, we have recorded non-cash impairment charges totalling £384 million (2023: £210 million).

CHIEF EXECUTIVE'S INTRODUCTION

TRANSFORMING THE BUSINESS TO GROW AT SCALE

Transformation

Following my appointment as CEO, we are pressing ahead with the implementation of Merlin's transformational strategy. All Executive Committee members are responsible for playing their part in ensuring that we are in the strongest position to grow at scale and deliver a sustainable and thriving future for the business. Reducing our operating costs is a key part of this, to ensure we can become more efficient and agile, offer value to customers in a competitive market, and drive improved operating margins and stronger cash conversion.

With the support of our shareholders, we are uniting Merlin into one business, by making a number of significant changes to how we operate. This includes bringing colleagues who work in back-of-house roles (such as HR, marketing, finance, digital, data and commercial) into globally led teams (whilst still being based locally).

These changes will allow the business to take a consistent approach, using simpler, common processes – and thereby eliminating duplications and inefficiencies. In addition, we are taking advantage of our scale and expertise to negotiate better deals from strategic suppliers across priority spending categories. This will drive better value and service for both our employees and our guests.

Since January 2025, our three previous operating groups (LEGOLAND Parks, Gateway Attractions and Resort Theme Parks) have come together as one. All attractions are now under leadership in four regions: North America, UK, Europe and Asia Pacific. These teams are driving our business in key markets, setting consistent standards for operational excellence and creating synergies to magnify the talent of our people and elevate the guest experience.

We are also investing in technology and data to upgrade our core capabilities, which we believe will lead to more revenue opportunities, better cost management, and improved returns in the future. This will include the introduction of a fully integrated booking flow, improvements to our online conversion, the offer of digitally enhanced in-park experiences and a strengthening of our digital marketing reach. These upgrades will help us further improve the guest experience, including through on-site changes to achieve shorter queues and improved 'rides per guest' through better capacity management.

Optimising our portfolio

Merlin's portfolio is already well diversified, with a broad mix of high-growth, high-value branded entertainment destinations in many geographies. This diversification brings a degree of resilience against the impact of local factors, including weather.

Following site changes (openings, acquisitions and divestments) made in 2024, we are developing further opportunities to maximise the value of our existing estate. We will focus on efficient investment through disciplined internal focus on investment criteria, return thresholds and hurdles; in-house expertise in capital expenditure efficiency, project delivery, revenue and variable cost management, and in maximising returns from marketing spend. To this end, we will continue to maintain prudent practices when investing in our existing estate.

The business will continue to focus on two broad areas of securing growth and maximising revenue through our existing estate:

- **Clustering Gateway attractions together in key locations in city centres**
This has worked particularly well in London, with the iconic London Eye and Madame Tussauds London being the must-do 'tent pole' attractions that allow the cross/up selling of multi-attraction tickets, driving higher market penetration. We also benefit from the cost and marketing synergies of operating multiple attractions in close proximity. In 2025 we will open a further LEGO Discovery Centre in Hamburg, as part of our continued deployment of the LEGO brand across our Gateway clusters.
- **Transforming theme parks into destination resorts by the addition of accommodation, second gates and upselling**
This approach has already seen many day trips convert into short breaks, with guests purchasing a number of products ahead of their visits. The opportunity for guests to stay in themed accommodation (with a range of formats and price points) and add second gate attractions onto their visits has proved to be very successful. In 2025 this will include our second gate SEA LIFE Florida attraction at LEGOLAND Florida Resort. We will continue to expand our multi-day propositions, and the opportunities to enhance revenue through higher secondary spend by guests, such as by enhancing our on-site retail offer.

All this continues to be supported by Merlin Magic Making, our passionate in-house team of innovators who provide creative, production and project delivery expertise for all major projects across our portfolio. They also work collaboratively with our IP partners to ensure we bring brands to life with authenticity and fresh concepts.

Harnessing IP partnerships

We will further optimise our portfolio by bringing more world famous entertainment brands to life in a number of key locations. For example, our new global strategic partnership with Mojang Studios (the creator of Minecraft, and a subsidiary of Microsoft), will see 'Adventures Made Real' coming to locations in the US and UK, in the first instance. These immersive experiences will include Minecraft-themed rides, guest accommodation, retail and food and beverage offerings, which we plan to leverage to drive growth and attract new guests – particularly those with an interest in gaming.

Elsewhere, we will continue to diversify our offer to families with pre-school children. We recently opened our third Peppa Pig Theme Park in Dallas-Fort Worth, further strengthening our relationship with Hasbro. Looking ahead, we will this year be unveiling plans to bring other popular pre-school brands to life in existing locations, further increasing our appeal to this demographic.

Merlin's longstanding partnership with the LEGO Group – the world's biggest toy brand – continues to provide compelling and interactive content for our sites around the world. Our first LEGOLAND resort in China, opening this year in Shanghai, will be the latest exciting iteration of the global and multi-generational appeal of LEGO in a location based entertainment setting. Just like we have with LEGO DUPLO® Peppa Pig, we will continue to explore opportunities to bring other LEGO collaborations to life across our existing estate.

CHIEF EXECUTIVE'S INTRODUCTION

TRANSFORMING THE BUSINESS TO GROW AT SCALE

Conclusion

2024 was a year which saw Merlin lay the foundations for its next phase of growth. Against a challenging trading backdrop, we increased visitor numbers and sustained a healthy revenue position, by taking a proactive approach to ensure that we drove demand.

We must now go further to ensure Merlin is in a strong position to grow at scale and deliver a sustainable and thriving future for the business. As the new CEO, I am determined that we implement our transformational strategy as effectively as possible to ensure we deliver an elevated guest experience, achieve operational excellence, drive cash discipline, and supercharge our business performance.

2025 is an exciting year for the business. We have already seen a new Peppa Pig Theme Park open in Dallas-Fort Worth, and in July, LEGOLAND Shanghai Resort will welcome its first visitors. Both of these new attractions have been made possible thanks to Merlin's innovative partnerships with world famous brands. Over the coming months, we will unveil details of further collaborations between global IPs and Merlin Magic Making, including the first locations for bringing Minecraft Adventures to life.

I am determined that Merlin reaches its full potential, and in doing so fulfils our vision for it to become the global leader in branded entertainment destinations. With our business leaders, and the support of our Board, I look forward to leading our colleagues globally through this next chapter in Merlin's exciting journey.

Fiona Eastwood**Chief Executive Officer****20 March 2025**

BUSINESS MODEL

GROWING AT SCALE TO DELIVER A SUSTAINABLE AND THRIVING FUTURE

OUR COMPETITIVE STRENGTHS

We own and/or operate a unique global portfolio of brands and iconic assets which is highly diversified across geography, attraction type, brand and customer demographic. The portfolio is also well balanced between indoor attractions within city centres as well as outdoor theme parks, appealing to both international and domestic visitors. This enables us to meet both short break and intra-day consumer needs. We also partner with leading third party intellectual property (IP) owners to bring world famous brands to life, thereby enhancing our portfolio and broadening our appeal across all key target demographics.

The enduring appeal of our sector is rooted in a global cultural shift toward experiences, where consumers increasingly value unique, immersive entertainment options over traditional goods. This trend has created a sustained demand for innovative attractions and experiences. Merlin is strategically positioned to meet and capitalise on this demand, whilst continuing to explore opportunities for additional revenue generation, through secondary spend, including by enhancing our retail and food and beverage offerings.

The industry's growth is also fuelled by global tourism trends, where Merlin's extensive global footprint in key visitor destinations ensures access to a broad and diverse customer base. Merlin will continue to adapt and innovate in this evolving landscape.

We believe the strength and breadth of our iconic brand portfolio enable us to offer compelling entertainment propositions through a diverse variety of activities and visitor experiences across a broad range of geographies. This allows us to attract a wide range of target demographic groups, ranging from families with young children, teenagers, young adults to older adults. We also believe that the size and diversity of our portfolio provides us with a degree of resilience against short term trading shocks which may impact a particular geography, brand or demographic.

We maintain a strategy aimed at creating a high-growth, high-return, cash-generative, entertainment business, naturally balanced against the pressures of the macroeconomic environment in which we operate.

We bring premium brands to life

Merlin works with partners such as the LEGO Group, Sony Pictures Entertainment, Hasbro, Marvel, Lucasfilm, DreamWorks, Ferrari, the BBC and Warner Bros to create destinations where guests can immerse themselves in a wide array of brand-driven worlds, rides and uplifting learning experiences. As part of our strategy to engage and work with companies that own strong brands and intellectual property, we have entered a global strategic partnership with Mojang Studios to offer Minecraft-themed entertainment through immersive and interactive attractions in fixed locations around the globe.

The variety of our branded formats makes us unique, spanning our theme parks and Gateway attractions. Our family of brands have global relevance, resonating with people from every culture and every corner of the world. There is significant untapped potential for our branded entertainment destinations to grow across the world, including the extension into innovative new formats.

Our partnership with Hasbro to bring the Peppa Pig brand to life has also seen a growing diversification of this offer for younger families, initially through smaller 'World of Play' attractions and now expanding into a number of theme parks as destinations in their own right. We recognise the attractiveness of pre-school brands to families with young children and anticipate bringing further products to market in the years ahead.

We lead from the front

Our unique, in-house creative and project delivery group, Merlin Magic Making (MMM) creates compelling propositions and develops new concepts into commercially viable attractions. Our in-house capabilities include the production of bespoke content such as wax figures and LEGO models, which creates efficiencies and reduces costs.

MMM is central to our major projects. In 2024, these projects included the team's work to develop LEGOLAND Shanghai Resort including its adjoining hotel accommodation, our third Peppa Pig Theme Park in Dallas-Fort Worth, a next generation LEGO Discovery Centre in Hamburg and a new SEA LIFE Centre (as a second gate attraction) at LEGOLAND Florida Resort, all of which will open in 2025.

As part of the ongoing development of Merlin's global footprint, we manage construction projects, including for individual rides, attractions and accommodation within the existing estate, new Gateway attractions across the globe and also engage in the development of full-scale LEGOLAND resorts.

We also leverage our extensive experience to provide an opportunity for investors to develop location based entertainment offerings, and to take on the operation of other parties' attractions under management contracts.

BUSINESS MODEL

GROWING AT SCALE TO DELIVER A SUSTAINABLE AND THRIVING FUTURE

DRIVING GROWTH

Maximising the value of our existing estate

Merlin's global assets offer opportunities to broaden our appeal by responding to consumer trends and expectations. This includes increasing the volume and strength of our relationships with a wide range of leading IPs, who seek to leverage their content through location based entertainment. This allows us to grow demand, improve customer satisfaction and, where applicable, increase capacity.

In 2024 the opening of 'Hyperia', the tallest rollercoaster in the UK at Thorpe Park, resulted in an increase in visitor numbers. We also opened the 'Minifigure Speedway', a new family rollercoaster, at LEGOLAND Windsor Resort and the 'Nemesis' rollercoaster at Alton Towers Resort was relaunched as 'Nemesis Reborn'.

Taking advantage of our scale and optimising our portfolio

We have a unique global footprint, operating in many of the world's most important tourist markets across the US, China, Western Europe and Asia Pacific. Our portfolio of destinations and brands is highly diversified across geography, attraction type, brand and customer demographic. This provides a number of opportunities for growth.

- **Gateway Attractions** – our scale and portfolio of strong brands allows us to leverage a number of strategic synergies. We have developed 'clusters' of Gateway Attractions in key locations such as Amsterdam, Arizona, Bangkok, Beijing, Berlin, Birmingham, Blackpool, Chicago, Dallas, Hong Kong, Kansas City, London, Manchester, Melbourne, Michigan, New Jersey, Oberhausen, Orlando, San Antonio, Scheveningen, Shanghai, Shenyang, Sydney and Tokyo, where multiple attractions are situated in close proximity to capitalise on strong cross promotional and operational synergies, including multi-attraction tickets that encourage guests to enjoy several of these experiences during days out.

We are committed to ensuring that all Gateway attractions positively contribute to our longer term growth plans and review their performance with this in mind. In 2024 we closed a small number of Gateway sites in our global operations which did not align with our future priorities. In 2025 we will open a next generation LEGO Discovery Centre in Hamburg, adding to our existing presence in this city. We will continue to explore further opportunities to add new elements to our existing cluster locations.

- **LEGOLAND Parks** – the LEGO brand is globally recognised and associated with fun and learning through play, and it provides compelling and interactive attraction content. Merlin holds the global, exclusive license to own and operate LEGOLAND parks until at least 2075. We own and/or operate ten LEGOLAND resorts in eight countries, with more due to open in China in the coming years.

All of our LEGOLAND resorts have themed on-site hotels ranging from 61 to 263 rooms. Our most recent additions are an operationally carbon-neutral LEGO themed holiday village of 150 lodges at LEGOLAND Windsor Resort and new 'Forest Adventure Lodge' accommodation with 80 rooms at LEGOLAND Deutschland Resort.

Adding on-site themed accommodation has improved guest satisfaction, increased the catchment area for our parks, increased the level of pre-booked revenue and improved cross-selling opportunities. We believe these hotels and holiday villages provide an integral contribution to the overall customer experience and help drive increases in multi-day ticket sales and wider upselling. We routinely consider plans for adding additional accommodation at our LEGOLAND resorts in the future.

We have also opened five second gate attractions close to our LEGOLAND resorts, including SEA LIFE aquariums alongside each of LEGOLAND California, Japan and Malaysia, and Peppa Pig Theme Parks adjacent to LEGOLAND Florida and LEGOLAND Deutschland. A new SEA LIFE aquarium at LEGOLAND Florida will open in 2025.

Historically we have generally followed an 'owned and operated' model for LEGOLAND resorts, securing the land and developing the infrastructure ourselves. As we expand our LEGOLAND resorts footprint, in certain locations we work with local partners to marry their capabilities and expertise with our strengths and experience to both parties' mutual benefit. Through this model, the funding for the capital investment is provided by a third party and we operate the park under a management contract. We do not own the park but instead operate it pursuant to a development and management contract with our partners. We operate LEGOLAND Malaysia and LEGOLAND Dubai under this model.

Looking to the immediate future, LEGOLAND Shanghai Resort will open in 2025 and LEGOLAND Shenzhen Resort in due course. Both parks will be operated under a management contract model, with capital expenditure being incurred principally by our local partners rather than Merlin.

- **Resort Theme Parks** – each of our five resort theme parks offers a compelling proposition with their own theming, with few or no local competitors that can offer the same quality or scale of visitor experience. They are recognised as destination resorts, attracting short break visits from national and, in certain cases, international visitors, supported by short break marketing campaigns. Each has one or more hotels or holiday villages. We continue to explore opportunities to diversify our offer in these locations. Because each resort theme park is a standalone brand, we have the opportunity to evolve and tailor our overall approach by incorporating new third party IPs into our in-park offer. We have already done this successfully at both Alton Towers Resort (with the 'CBeebies Land' themed land and accommodation) and Chessington World of Adventures Resort (with our 'World of Jumanji' themed land and rides) over the past decade and anticipate bringing further iterations of new and existing brands to life during the coming years. The scale of our resort theme parks and available undeveloped land at certain locations has also provided opportunities for second gate attractions, such as the SEA LIFE aquarium located close to Gardaland Resort.

We are also focused on using our assets and expertise to create new revenue streams, such as through enhanced sponsorship opportunities and partnering with third parties to deliver new locations and bring more brands to life in a range of formats.

More generally, we will continue to prioritise those attractions which generate the largest returns and visitor numbers, particularly those which have the greatest potential to secure further growth. We will ensure that they are optimised as effectively as possible.

BUSINESS MODEL

GROWING AT SCALE TO DELIVER A SUSTAINABLE AND THRIVING FUTURE

Changing how we operate

Our operating model has developed as our scale has grown, allowing us to operate more efficiently and flexibly, while maintaining our focus on providing a high-quality experience for our guests. In particular, we have re-engineered how we react to changes in guest volumes, applying promotional strategies to rationalise discounts, with a focus on revenue management and managing demand to improve the guest experience. We are also increasingly using performance marketing, social and digital media to drive demand effectively and efficiently.

This is all part of our wider investment in capability to accelerate value creation, with a renewed focus on ensuring such changes achieve their objectives – and then adapting our approach as necessary after reviewing.

We focus on managing visitor numbers through periods of high and low attendance volume, extending the length of stay, encouraging repeat visits, and enhancing overall revenue by also improving our customers' online 'digital journey'. In addition, we believe that our ability to maintain tight control over attraction capacities and peak day volumes during peak season delivers a tangible improvement in the guest experience, increases 'rides per guest', reduces queuing, and improves average guest spends.

To complement these changes, and go further in our transformation, we have recently commenced the implementation of a new operating model through which we will improve our business efficiency and our deployment of resources over the course of 2025 and 2026.

We have put in place 'Global Operations' and since January 2025 we have a single Chief Operating Officer overseeing all attractions, with regional managing directors leading our operations in four regions: North America, the United Kingdom, Europe, and Asia-Pacific.

We have also established 'Global Functions', with site-level employees uniting with their peers to join globally led People, Marketing, Finance, Commercial and Digital and Data teams. These changes allow us to leverage our collective expertise, share best practice and create consistent, unified ways of working – whilst also addressing duplications and inefficiencies where they exist. These employees will be led globally but will continue to deliver their work regionally and locally.

We are implementing a 'Smart Spending' cost saving programme that will see us take advantage of our scale and expertise to negotiate better deals and consolidate fewer more strategic suppliers across priority spending categories, to drive better value and service, for both our employees and our guests. Collectively, we expect the various initiatives to be deployed as part of our 'Smart Spending' programme to generate approximately £50 million of run rate underlying cost savings.

These changes will strengthen our capacity to scale successful formats at speed, and use our deep customer insights, analytics and data to drive effective pricing, marketing, operations and guest experience opportunities. As part of this effort, we are focusing on growth potential through digital channels and data enabled decision making.

We are also upgrading some of our technology infrastructure, which will include the testing and roll out of admissions pricing optimisation, as well as improved demand forecasting, testing and reporting.

OUR CULTURAL FOUNDATIONS

Safety is our number one priority

Safety is ingrained in everything we do and is central to our ethos and ways of working. We are dedicated to going beyond legal compliance to deliver best-in-class health, safety and security (HSS) standards that are embedded in our organisation through protocols, processes and communications, supported by a central team of health and safety experts.

In 2024, we maintained these high standards, as evidenced by continued strong HSS KPI scores. More details are set out on pages 28 to 29.

A relentless focus on the guest experience

In 2024 we have again reported a combination of strong customer metrics:

- Touchscreens at our attractions measure our guest satisfaction scores, where we have an increasing focus on our 'Top Box' measure that indicates when guests are 'very satisfied'. This metric increased from 72% in 2023 to 73%.
- 'Net Promoter' scores (NPS) also increased in the year for the Group. NPS measures whether a guest would recommend our attractions.

An engaged team

Every summer we run our online employee 'Culture Survey' to assess how engaged our staff are. In 2024 more than 20,000 staff completed the survey, a response rate of 86%. Our engagement score was 69% favourable, compared to 68% in 2023.

We also have an increasing focus on 'belonging', including implementing reward and recognition programmes that have been designed to support belonging and align with our strategic objectives.

More details are set out on page 26.

Corporate governance

Merlin believes that effective corporate governance is the foundation of a well-run company and maintains high standards of governance across the Group. We recognise that a strong governance framework is fundamental to the execution of Merlin's strategic objectives, underpinned by a clear purpose and well understood culture and values.

More details are set out on pages 38 to 43.

BUSINESS MODEL

GROWING AT SCALE TO DELIVER A SUSTAINABLE AND THRIVING FUTURE

OUR POSITIVE IMPACT, GUIDED BY OUR VALUES

At Merlin, we are committed to including more people in moments of joy that spark positive change. Our journey is rooted in the recognition of the global footprint of our business, and we're committed to making a positive impact – the Merlin way.

Our 'More to your World' environmental, social and governance (ESG) strategy comprises three pillars:

- **Inspiring People** – by shaping more inclusivity, growth and hope through belonging and wellbeing. Our staff represent around 90 nationalities around the world, and our focus is on cultivating belonging for each and every one of them. Furthermore, we support our teams to achieve and maintain their best mental, physical and emotional health.
- **Protecting Nature** – by igniting more curiosity, care and discovery through conservation and animal welfare and education. Through our extensive animal care and habitat conservation efforts at our SEA LIFE attractions and zoos, we connect more people to nature and educate millions of guests every year.
- **Caring for the Planet** – by prioritising more action, innovation and reduction through decarbonisation and waste management. As a business whose purpose is to bring people together, we are taking measurable and meaningful action to address a challenge that affects us all – climate change. We plan to achieve carbon neutrality in our company operations (Scope 1 and 2) by 2030.

Underpinning the three pillars is our commitment to achieving world class health, safety and security performance and to conduct our business responsibly, respectfully and ethically.

More details of our ESG strategy are set out on pages 25 to 27.

In all these activities we are guided by Merlin's values:

- **We Care** – we go above and beyond for our guests and our people – no gesture is too thoughtful. We are uncompromising about safety, security and welfare, setting the highest standards. We work hard to have a positive impact, both on the planet and in our local communities.
- **Own your Craft** – we constantly sharpen our skills, we seek to become deep subject experts and help others to grow in their roles. We listen closely to others, learning from feedback. We take inspiration from our industry and world, to stay at the forefront of entertainment.
- **Drive and Discover** – we give our best every day, owning our work and seeing it through until it's done brilliantly. We focus on the things that make the biggest difference: do less but do it better. We explore untapped opportunities to delight more guests in more ways, embracing calculated risks.
- **Go Together** – we work on our relationships daily, building teamwork and trust. We collaborate with people from other teams and sites around the globe, to solve problems together and draw on diverse perspectives. We commit to our decisions and move at speed to make progress happen.
- **Enjoy the Ride** – we bring fun and optimism to our work – because happiness helps us be at our best. We support each other through challenges and turn missteps into opportunities to learn. We cultivate a warm, welcoming environment where people feel a strong sense of belonging.

OUR INVESTORS

Since November 2019 the Group has been controlled by a consortium of three principal long term investors with the capability to support Merlin's growth ambitions. As set out at the time of the transaction, the consortium work together in accordance with a formal Shareholders Investment Agreement, which details the Board's terms of reference and 'matters reserved', being certain limited matters, which require the consent of the major shareholders. Their investment is held in the Company.

Details of the investor consortium are set out below and details of their representation on the Board of Directors are set out on pages 41 to 43.

- **KIRKBI** – KIRKBI is the holding company of the LEGO Group and other companies owned by the Kirk Kristiansen family. With a purpose of building a better future for children, KIRKBI is committed to reinvesting future proceeds from the LEGO Group and other holdings into building businesses within three business areas: LEGO Holding, KIRKBI Education, and KIRKBI Climate. Rooted in the values and principles that have guided the LEGO® brand for generations, KIRKBI actively engages in its businesses with the long term perspective needed to make a lasting difference.
- **Blackstone** – one of the world's leading investment firms, which seeks to create positive economic impact and long term value for our investors by relying on extraordinary people and flexible capital to help strengthen the companies they invest in. Blackstone's asset management businesses had over \$1.1 trillion in assets under management as at 31 December 2024 across a range of investment vehicles. Blackstone has long-standing experience investing in location based entertainment businesses, like Merlin, as well as the wider hospitality, travel and leisure sector. Blackstone's investment in Merlin has been made through its long-dated Core Private Equity Strategy, which invests in high-quality businesses for typically ten to 15 or more years.
- **Canada Pension Plan Investment Board (CPP Investments)** – a professional investment management organisation that manages the CPP Fund in the best interest of the more than 22 million contributors and beneficiaries of the Canada Pension Plan. CPP Investments is governed and managed independently of the Canada Pension Plan and at arm's length from governments. As at 31 December 2024, the Fund totalled C\$699.6 billion, and net investments of C\$151.2 billion in private equity. CPP Investments' private equity team is a committed long term investor with permanent capital, a focus on sizeable investments alongside aligned partners, the ability to invest across the full spectrum of ownership, and the ability to shape the duration and underwriting approach of investments to support longer-date returns on investment initiatives.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

	52 weeks ended 28 December 2024			52 weeks ended 30 December 2023			Growth	
	Underlying £m	Adjusting items £m	Total £m	Underlying £m	Adjusting items £m	Total £m	Underlying actual currency %	Underlying constant currency %
Revenue	2,057	-	2,057	2,125	-	2,125	-3.2%	-0.7%
Cost of sales	(382)	-	(382)	(388)	-	(388)		
Gross profit	1,675	-	1,675	1,737	-	1,737	-3.6%	-1.2%
Staff expenses	(575)	(4)	(579)	(545)	(14)	(559)		
Marketing	(100)	-	(100)	(90)	-	(90)		
Other operating expenses	(427)	(29)	(456)	(427)	(12)	(439)		
EBITDA	573	(33)	540	675	(26)	649	-15.1%	-12.8%
Depreciation, amortisation and impairment	(288)	(384)	(672)	(267)	(210)	(477)		
Operating profit/(loss)	285	(417)	(132)	408	(236)	172	-30.1%	-28.3%

See 'How we report our results' on page 18 for details of how we report our financial performance.

Introduction

In 2024 challenging market headwinds have impacted consumers' discretionary spend, a trend that is affecting the whole industry in all key geographies. With this backdrop, Merlin has adapted its approach to revenue management and promotions as it seeks to maintain demand and market share.

As a result, visitation increased 1.1% overall compared to 2023, but revenue decreased by £68 million (3.2%) from £2,125 million to £2,057 million. In North America, revenues per capita were impacted as competitors also flexed prices to maintain guest volumes. The fall in revenue also reflects the impact of foreign currency exchange (FX) rates, where reported revenues are £52 million lower than if they were retranslated at 2023 FX rates for the equivalent period. On a constant currency basis, revenues for the period are 0.7% lower than 2023.

Inflationary wage increases and minimum wage settlements have led to employment cost pressures at many locations. Our investment in the capability of selected central teams, such as data and digital, also drove an increase in staff expenses. Marketing spend increased to stimulate demand, with an increase in promotional activity in a highly competitive market. In some locations this spend had a dilutive effect on margin as the additional investment did not drive the volume and price increases we had anticipated. Cost discipline measures such as selective hiring freezes and a reduction in discretionary expenses helped to partially offset these cost increases.

In light of these challenging trading conditions and our anticipation of slower economic recovery in the medium term in certain geographies, most notably in China, we have reflected impairment charges totalling £384 million. This includes £191 million in respect of Merlin's brands, the most significant being £163 million in respect of the Madame Tussauds brand, and £48 million in respect of certain of the Group's Gateway attractions.

Furthermore, our recently opened resorts at LEGOLAND New York and LEGOLAND Korea continue to trade below initial expectations and will take longer than planned to reach operating maturity. We have recognised impairment charges of £110 million in respect of LEGOLAND New York and £35 million in respect of LEGOLAND Korea.

In February 2024 the Group completed a debt refinancing exercise, extending the maturity profile of a major part of the Group's debt and securing net cash proceeds of approximately £170 million, to support our long term growth ambitions. Further details are set out on page 15. Subsequent to the year end, we completed a further debt refinancing exercise to extend the maturity profile of a portion of the Group's debt. The Group complied with all its debt covenants in the year.

Presentation of results

Motion JVco Limited (the Company) has been the parent company of the Merlin Entertainments group of companies (Merlin, Merlin Group), since acquiring the Merlin Group in November 2019.

Underlying results and adjusting items

As we have now commenced our transformation journey it is important to present the underlying performance of the business accurately. We report our underlying financial performance that reflects our ongoing trading and therefore provides a more direct comparison of trading performance. Such Alternative Performance Measures (APMs) are not defined by International Financial Reporting Standards (IFRS) or other generally accepted accounting principles (GAAP) and may not be directly comparable with APMs used by other companies.

Unless otherwise stated, the commentary below refers to underlying results. The impacts of non-underlying activities are reported within adjusting items, more details of which can be found on page 12.

The underlying results and the adjusting items combine to create the total figures that are presented in the consolidated financial statements. This presentation of results has been adopted for the first time for the 52 week period ended 28 December 2024. The comparative information for the prior year (52 weeks ended 30 December 2023) has been re-presented to be on the same basis. On page 18 we explain in more detail how we adopt certain alternative performance measures to help present our trading performance in the most helpful and meaningful way.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Performance summary

Revenue for the 52 weeks to 28 December 2024 decreased to £2,057 million (52 weeks to 30 December 2023: £2,125 million), partly reflecting the adverse impact of movements in foreign currency exchange rates.

We note for completeness that from 2024 Warwick Castle's results are reported within the Gateway Attractions Operating Group, previously within Resort Theme Parks Operating Group. The comparative 2023 results have not been restated between the two Operating Groups as this did not affect the results for the Group overall.

The Gateway Attractions Operating Group revenues are in line with 2023, increasing by £3 million to £751 million, albeit this includes Warwick Castle in 2024. We have seen softness in demand at a number of divisions across the Operating Group, including the UK (our largest Gateway division), and in China where trading conditions are challenging.

The LEGOLAND Parks Operating Group reported revenue of £869 million, a decrease of £45 million (4.9%) compared to 2023. Revenues are 1.8% lower than 2023 on a constant currency basis, with the larger reported decline reflecting the adverse impact of movements in foreign exchange rates. We saw a competitive trading environment in the US, especially at LEGOLAND Florida and LEGOLAND New York. LEGOLAND Japan traded strongly.

The Resort Theme Parks Operating Group reported revenue of £429 million, a decrease of £24 million compared to 2023, albeit this excludes Warwick Castle in 2024. Otherwise, trading at our UK resorts was ahead of 2023 but we have seen lower revenues at Gardaland Resort in Europe, partly due to poor weather.

Within our central and support functions, revenues of £8 million (2023: £10 million) primarily related to sales of LEGO models to LEGOLAND resorts currently under construction in China by third party development partners.

Gross profit margins remained broadly stable, decreasing slightly to 81% (2023: 82%).

Staff expenses increased from £545 million to £575 million, reflecting employment cost pressures in many locations, with wage increases from inflation and minimum wage settlements. We have also strengthened the capabilities of the teams in our central functions.

Marketing costs increased from £90 million to £100 million as we aimed to maintain market share and stimulate demand for our new offerings.

Other operating expenses remained at £427 million. This reflects up front and ongoing costs for the insourcing of our UK short breaks operations and other cost increases, offset by lower utility costs compared to the previous year.

Underlying EBITDA

Underlying EBITDA totalled £573 million (2023: £675 million).

Foreign exchange

Merlin is exposed to fluctuations in foreign currency exchange rates on transactions and the translation of our non Sterling earnings. Retranslating 2024 performance at 2023 rates would result in a £52 million increase in revenue and a £15 million increase in Underlying EBITDA. We set this out in more detail by major currency on page 115.

Underlying operating profit

Depreciation and amortisation charges increased by £21 million from £267 million to £288 million for the year. Depreciation charges have increased in respect of ongoing investment in new openings and our existing estate.

Reflecting the factors above, underlying operating profit reduced from £408 million in 2023 to £285 million in 2024.

Adjusting items

Adjusting items impacting EBITDA totalled £33 million (2023: £26 million).

Within staff expenses, costs of £4 million (2023: £14 million) relate to:

- Strategic transformation and organisational change costs of £4 million (2023: £1 million) – restructuring costs as we evolve our operating model together with ongoing project costs of our digital and data transformation.
- Redundancy and other costs at exited sites of £2 million (2023: £nil).
- Net credits of £2 million (2023: charges of £13 million) in respect of our management incentive plans. The decrease arises from the change in expected value of plans at maturity. Further detail is provided in note 2.1 to the financial statements.

Within other operating expenses, costs of £29 million (2023: £12 million) relate to:

- Strategic transformation and organisational change costs of £17 million (2023: £11 million) – consulting and other costs related to our digital and data transformation that gathered pace during 2024, together with consulting costs in 2023 and 2024 relating to our evolving operating model and other strategic initiatives.
- Site divestment and acquisition costs of £6 million (2023: £1 million) – primarily relating to the small number of Gateway sites closed in 2024 which did not align with our future priorities.
- Costs of strategic review of capital investment programmes of £6 million (2023: £nil).

Adjusting items impacting depreciation, amortisation and impairment total £384 million (2023: £210 million) and reflect the following impairment charges:

- £191 million in respect of Merlin's brands, the most significant being £163 million in respect of the Madame Tussauds brand. This reflects the impact over recent periods of challenging trading conditions, notably in the UK and China.
- £110 million in respect of LEGOLAND New York and £35 million in respect of LEGOLAND Korea. Both of these recently opened LEGOLAND resorts will take longer than planned to reach operating maturity.
- £48 million in respect of certain of the Group's Gateway attractions, taking into account more challenging trading conditions and our anticipation of slower economic recovery in the medium term at those locations.

In 2023, impairment charges were made of £210 million, of which £128 million related to LEGOLAND New York and £67 million related to LEGOLAND Korea, with a further £15 million in respect of certain Gateway attractions.

Total operating loss

Reflecting the factors above, the total operating result decreased from a profit of £172 million in 2023 to a loss of £132 million in 2024.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Gateway Attractions

	2024 52 weeks	2023 52 weeks	Growth (actual currency)	Growth (constant currency)
Visitors (m)	35.1	34.1	2.8%	2.8%
Underlying revenue (£m)	751	748	0.4%	3.0%
Underlying EBITDA (£m)	251	284	(11.6)%	(9.5)%
Underlying EBITDA margin	33.4%	37.9%		
Underlying operating profit (£m)	116	162	(28.8)%	(27.1)%

Merlin's Gateway attractions are predominantly indoor attractions that operate year round, with trading volumes generally higher around holiday periods.

Within the UK, our largest Gateway division, we saw softness in demand over the year, notably in London. UK revenues were also affected by an extended four week closure of the London Eye at the start of the year for planned maintenance, compared with two weeks in Q1 2023.

From 2024 Warwick Castle's results are reported within the Gateway UK division. The comparative 2023 results reported in Resort Theme Parks have not been restated as they are not material to the Group overall. The inclusion of these revenues, especially over the peak summer period, supported Gateway UK revenues, which show a slight decline in total compared to 2023.

The reported results in our non-UK divisions have been adversely affected by the impact of foreign exchange movements.

Gateway North America revenues were ahead of 2023, partly due to the impact of recently opened attractions and the Orlando Wheel at ICON Park which we purchased in March. We saw some softness in summer trading in certain locations.

Gateway Europe trading reflected growth in Germany and certain attractions reopening that had been closed during 2023.

Within the Asia Pacific region, our Australian attractions and locations outside of China traded well overall, reflecting effective marketing and new product initiatives. Trading conditions in China continued to be challenging reflecting low levels of consumer confidence and a competitive marketplace.

In 2024 we saw wage cost pressures including from uplifts in minimum wages. We also invested in increased levels of marketing to support summer trading, especially in the UK. The inclusion of Warwick Castle in 2024 had a dilutive effect on Gateway's margins.

LEGOLAND Parks

	2024 52 weeks	2023 52 weeks	Growth (actual currency)	Growth (constant currency)
Visitors (m)	17.1	16.7	2.4%	2.4%
Underlying revenue (£m)	869	914	(4.9)%	(1.8)%
Underlying EBITDA (£m)	269	307	(12.3)%	(9.8)%
Underlying EBITDA margin	31.0%	33.6%		
Underlying operating profit (£m)	174	221	(21.3)%	(19.5)%

The LEGOLAND resorts in California and Florida in the US, and LEGOLAND Japan, are normally open all year round. LEGOLAND New York, LEGOLAND Korea and the three European resorts in the UK, Denmark and Germany operate seasonally, opening fully in the spring and trading through to the autumn. Where the resorts are open over the winter period, trading is more focused on accommodation offerings and events. All parks see trading volumes higher around holiday periods, particularly the main summer trading season.

Only LEGOLAND Windsor Resort is located in the UK. Therefore, reported results have been adversely impacted by movements in foreign exchange rates, with stronger Sterling in 2024 when compared to the US Dollar, the Euro and the Japanese Yen.

Within the US, we saw softer demand over the year at all three parks and entered into a number of promotions to maintain demand. Visitation at LEGOLAND California was up year on year with revenues in line with 2023 on a constant currency basis. LEGOLAND Florida and LEGOLAND New York both declined in a competitive marketplace compared to 2023. LEGOLAND New York was also impacted by variable weather. At the end of Q3 and in early Q4, there was some disruption to trading at LEGOLAND Florida from hurricanes, which resulted in the resort being closed for a limited number of days.

Our LEGOLAND resorts in Europe traded ahead of 2023, reflecting the positive impact of our new offerings such as the Woodland Village accommodation at LEGOLAND Windsor and the new Peppa Pig Theme Park at LEGOLAND Deutschland.

At LEGOLAND Japan higher visitation and revenues per guest have driven strong revenue growth compared to 2023, also reflecting the weakness of the Yen which has supported levels of inbound international tourism.

The underlying EBITDA margin decrease for the Operating Group reflects lower gross margins and ongoing staff cost pressures.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Resort Theme Parks

	2024 52 weeks	2023 52 weeks	Growth (actual currency)	Growth (constant currency)
Visitors (m)	10.6	11.3	(6.2)%	(6.2)%
Underlying revenue (£m)	429	453	(5.2)%	(4.2)%
Underlying EBITDA (£m)	122	143	(14.4)%	(13.3)%
Underlying EBITDA margin	28.5%	31.6%		
Underlying operating profit (£m)	71	90	(21.2)%	(20.1)%

The main trading period for the Resort Theme Parks attractions, all of which are located in Europe, normally starts during the early spring, with trading over the winter period more focused on accommodation offerings and events. All parks see trading volumes higher around holiday periods, particularly the main summer trading season.

Lower reported revenues at our resorts in Continental Europe related to Gardaland Resort, which was impacted by poor weather over the summer, combined with softness in the short break market.

Within the UK, underlying revenues were ahead of 2023 overall, with the launch of the 'Hyperia' rollercoaster at Thorpe Park Resort in May bolstering summer trading in a challenging environment. From 2024 Warwick Castle's results are reported within the Gateway UK division. The comparative 2023 results reported in Resort Theme Parks have not been restated as they are not material to the Group overall. The loss of these revenues, especially over the peak summer period, impacted the Operating Group's reported revenues.

Operating costs have increased. Labour cost increases reflect pressures from inflationary and minimum wage increases, an expanded trading calendar, and staffing to support new products in the resorts as we continued to refine our operating model and respond to guest feedback. We also incurred upfront and ongoing costs for the insourcing of our UK short breaks operations.

We increased marketing activity to drive demand for our new rides, also incurring pre-opening costs prior to their launch.

Central

	2024 52 weeks	2023 52 weeks
Staff costs (£m)	56	44
Other costs (£m)	13	15
Net underlying central costs (£m)	69	59

Our central functions include costs that are not incurred by the Operating Groups. These include executive, head office and other central teams that set and drive our transformational strategy, and our creative Merlin Magic Making team.

Staff costs increased compared to 2023 as we invested in capabilities and resourced these central teams to support our new operating model and drive the future growth of the business.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Finance costs

Underlying net finance costs increased by £18 million from £350 million to £368 million. This predominantly reflects increases in interest rates on the Group's unhedged interest-bearing loans and borrowings.

In February 2024 we completed a debt refinancing exercise, extending the maturity profile of a major part of our debt and securing net cash proceeds of approximately £170 million, as follows:

- The Group issued \$500 million of new senior secured notes at a fixed rate of 7.375% to mature in 2031.
- \$1,220 million of drawn floating rate facilities due to mature in 2026 were extended to 2029, increasing the size to \$1,385 million.
- €215 million of drawn floating rate facilities due to mature in 2026 were extended to 2029.
- €376 million of drawn floating rate facilities due to mature in 2026 and 2029 were repaid, decreasing the size to €1,020 million.
- The Group's revolving credit facility was increased from £400 million to £428 million with an extension to the maturity to 2029.

In 2024 there was a non-underlying £8 million finance gain in connection with these refinancing activities. The Group recognised one-off gains reflecting amended terms that adjusted the carrying value of the modified Euro and US Dollar term debt.

In 2023 there were non-underlying finance costs of £36 million in connection with refinancing activities in the year. The Group recognised a one-off charge reflecting amended terms that adjusted the carrying value of modified debt, and charges incurred upon debt extinguishment.

Further detail on net finance costs is provided in note 2.2 to the financial statements.

Loss before tax

As a result of the factors noted above, including impairment charges of £384 million (2023: £210 million), the total loss before tax for the 52 weeks to 28 December 2024 was £492 million (2023: £214 million).

Taxation

The total tax credit for the year was £64 million (2023: charge of £3 million) which represents a reported effective tax rate (ETR) of 13.1%.

The difference between this and the UK standard tax rate of 25% is primarily attributable to the derecognition and non-recognition of deferred tax assets as a result of impairment charges. Other factors included the derecognition of tax losses in certain jurisdictions, the effect of tax rates in foreign jurisdictions and movements in uncertain tax positions.

In 2023 the reported effective tax rate (ETR) was (1.5%). The difference between this and the UK standard tax rate of 23.5% was primarily attributable to the non-recognition of losses in relation to impairment charges in South Korea and the correction of an error in prior periods in respect of the tax treatment of certain German long term leases where the local tax base had not been correctly quantified.

The impact of the European Commission's finding relating to the UK's Controlled Foreign Company rules is further detailed in note 2.3. Charging notices from HMRC were received for £28 million in 2021, which the Group was legally obliged to pay. In September 2024 the Court of Justice of the European Union annulled the European Commission's decision that certain elements of the UK's Controlled Foreign Company rules partially represent State Aid and set aside the earlier judgement of the General Court which had confirmed that decision. The UK Government has subsequently brought forward legislation to repay the amounts previously recovered from the Group, which came into force on 31 December 2024.

Significant factors impacting the Group's future ETR include the Group's geographic mix of profits, the timing of recognition of tax losses and changes to local or international tax laws. Unrecognised deferred tax assets include tax losses in various jurisdictions which may be recognised in future periods as the relevant business becomes profitable.

The Group has a tax policy that sets out our approach in the areas of governance, risk management, tax planning and how we deal with tax authorities. This is available on the Merlin website.

Further detail on taxation is provided in note 2.3 to the financial statements.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Cash flow

	2024 52 weeks £m	2023 52 weeks £m
Underlying EBITDA	573	675
Adjusting items (excluding share-based payments)	(35)	(13)
Working capital and other movements	49	(53)
Tax paid	(42)	(55)
Net cash inflow from operating activities	545	554
Capital expenditure – existing estate	(279)	(206)
Capital expenditure – new business development (NBD)	(78)	(92)
Other investing activities	(39)	-
Interest paid, net of interest received	(289)	(318)
Other	1	3
Net cash outflow before changes in borrowings	(139)	(59)
Net changes in borrowings	167	(11)
Net capital repayments of leases	(46)	(37)
Net cash outflow for the year	(18)	(107)

Operating cash flow

Net cash flow from operating activities for the year was an inflow of £545 million (2023: £554 million), resulting from EBITDA of £540 million (excluding share-based payments), a working capital inflow of £49 million and net tax payments of £42 million.

Working capital and other movements in the year reflect a return to a more typical pattern and also include cash received from deposits paid in previous periods.

The atypical working capital outflow in 2023 reflected increased retail inventory holdings as activity increased, the settlement of certain provisions made in previous periods, and other upfront contract payments and deposits relating to new energy and utility contracts.

Operating free cash flow (being Underlying EBITDA less existing estate capital expenditure) was an inflow of £294 million in 2024 (2023: inflow of £469 million).

Investing activities

A total of £357 million was incurred on capital expenditure in 2024 (2023: £298 million).

In our existing estate, we make regular, targeted investments to update and refresh the estate, to grow demand and, where applicable, to increase capacity at our attractions. Our theme parks require relatively higher capital expenditure due to the scale and nature of new rides and attractions, and the drive to attract repeat visitors. Gateway attractions require relatively lower capital expenditure due to the smaller scale of the attractions.

Existing estate capital expenditure totalled £279 million (2023: £206 million). This reflects the timing of projects and includes spend on projects launched in 2024, such as 'Nemesis Reborn' at Alton Towers and 'Hyperia' at Thorpe Park, together with spend on projects launching in 2025.

New business development (NBD) capital expenditure totalled £78 million (2023: £92 million). This included spend on projects including our new Peppa Pig Theme Parks at LEGOLAND Deutschland, which opened in 2024, and at Dallas-Fort Worth, which will open in 2025.

In 2024 other investing activities of £39 million related to the asset acquisition of the Orlando Wheel in March 2024 (£31 million) together with £8 million in respect of deferred consideration for Cadbury World.

Financing activities – interest payments

Interest payments relate to the Group's external debt and its lease arrangements. They therefore reflect both the underlying level of those interest charges, as well as the timing of when payments are made. Debt interest payments are made quarterly and six monthly depending on the nature of the debt.

The timing of lease payments varies depending on local practice. The Group's largest lease commitments are in the UK and are paid quarterly.

Financing activities – changes in borrowings 2024

The net change in borrowings primarily reflects the debt refinancing in the year, as well as mandatory quarterly repayments of £5 million under the terms of the Group's banking facilities.

Cashflows in respect of the debt refinancing included £1,665 million in respect of new borrowings, repayments of £1,460 million and £33 million of transaction costs.

2023

The net change in borrowings related to the mandatory quarterly repayments of £10 million under the terms of the Group's banking facilities together with £1 million relating to other loans taken out in respect of specific capital projects.

Cashflows in respect of the debt refinancing in the period included £601 million in respect of new borrowings, repayments of £570 million, £23 million of transaction costs and £8 million of early redemption fees.

Capital repayments of leases were stated net of £3 million received from the landlord relating to the three UK Resort Theme Park locations.

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Net assets

	2024 £m	2023 £m
Property, plant and equipment	2,388	2,437
Right-of-use assets	1,558	1,604
Brands	1,114	1,315
Goodwill and other intangible assets	2,263	2,281
Investments	5	11
Working capital	(224)	(183)
Net external debt	(3,744)	(3,548)
Lease liabilities	(1,634)	(1,633)
Net derivative financial assets	12	15
Corporate and deferred tax	(240)	(353)
Employee benefits	3	3
Other assets and liabilities	(194)	(209)
Net assets	1,307	1,740

Property, plant, and equipment decreased by £49 million, primarily reflecting depreciation and impairment charges and the retranslation of assets at different foreign exchange rates, offset by capital additions.

Brands decreased by £201 million, reflecting impairment charges and the retranslation of assets at different foreign exchange rates.

The net derivatives value of £12 million relates to mark to market valuations at the reporting date. These are primarily in respect of interest rate swap and cap transactions entered into to hedge interest rate exposures.

Further analysis of working capital movements is provided in note 4.4 to the financial statements.

Corporate and deferred tax balances decreased by £113 million, primarily attributable to the derecognition of deferred tax assets in the UK and USA in relation to impairment charges.

Financing and capital structure

The key terms of the Group's borrowing facilities at 28 December 2024 are summarised as follows.

Senior secured debt

- €1,020 million and \$1,378 million drawn facilities to mature in November 2029 entered into by the Company's subsidiary Motion Finco S.à r.l.
- The margins on these facilities are dependent on the Group's adjusted leverage ratio and at 28 December 2024 were at a margin of 3.75% for EUR borrowings (2023: 3.0% for the €575 million borrowings; 4.0% for the €821 million borrowings) and 3.5% (2023: 3.25%) for USD borrowings over the floating interest rates when drawn. The relevant floating interest rates are Term SOFR, which was 4.60% at 28 December 2024 (30 December 2023: 5.61%) and EURIBOR, which was 3.35% at 28 December 2024 (3.93% at 30 December 2023). The terms of the floating rate debt facility require a repayment of 0.25% of the outstanding principal amount of the USD borrowings every three months.

- \$400 million 5.75% senior secured notes due 2026 entered into by the Company's subsidiary Merlin Entertainments Limited. These notes have been refinanced subsequent to the year end (see below).
- €700 million 7.375% senior secured notes due 2030 entered into by the Company's subsidiary Motion Finco S.à r.l.
- \$500 million of 7.375% senior secured notes due 2031 entered into by the Company's subsidiary Merlin Entertainments Group US Holding Inc.
- A £428 million revolving credit facility to mature in May 2029, of which £nil was drawn in cash at the end of the reporting period. £30 million was utilised by way of establishing certain ancillary facilities, including letters of credit.

Other senior debt

- \$410 million 6.625% senior notes due 2027 and €370 million 4.5% senior notes due 2027 entered into by the Company's subsidiary Motion Bondco DAC.

A reconciliation of net debt is set out in the financial statements in note 5.1.

Subsequent to the year end, the Group completed a further debt refinancing exercise to extend the maturity profile of the Group's debt. The Group issued \$410 million (£330 million) of new senior secured notes entered into by the Company's subsidiary Motion Finco S.à r.l. to mature in 2032, and used the proceeds, net of fees, to repay the \$400 million 5.75% senior secured notes due 2026 entered into by the Company's subsidiary Merlin Entertainments Limited.

Further details are set out in the financial statements in note 5.2.

Interest rate hedging

The Group is exposed to interest rate risk on both interest-bearing assets and liabilities. The Group has a policy of actively managing its interest rate risk exposure using a combination of fixed rate debt and interest rate derivatives.

At the end of the reporting period the Group had \$1,310 million of fixed interest rate notes and \$1,378 million of drawn floating rate facilities.

During 2022, the Group entered into \$600 million of interest rate swaps, hedging USD floating rate debt to 2026, at an average fixed rate of c.2.93%

During 2024, the Group entered into \$300 million of interest rate swaps, hedging USD floating rate debt from 2026 to 2028, at an average fixed rate of c.3.77%.

At the end of the reporting period the Group had €1,070 million of fixed interest rate notes and €1,020 million of drawn floating rate facilities.

During 2022, the Group entered into €700 million of interest rate caps maturing in 2026 at an average cap strike rate of c.1.61% at a running cost of c.0.9% per annum to 2026.

In aggregate, at the end of the period, 77% (2023: 72%) of the Group's interest-bearing loans and borrowings is at a fixed/capped rate. The weighted average duration of the Group's interest-bearing loans and borrowings is 4 years (2023: 4 years).

FINANCIAL AND OPERATING REVIEW

RESPONDING TO A CHALLENGING MARKET

Lenders

The Group maintains ongoing relationships with the institutions that provide financing facilities. This includes the provision of quarterly financial information, and presentations by the Chief Financial Officer and the Group Treasurer and Director of Tax.

The Group keeps the debt markets under review in order to ensure that funding can be obtained at the right time and at the right price to ensure the availability of funds to meet strategic growth plans and our other financing requirements. Merlin actively assesses financing opportunities, which may include new financings, refinancings and transactions by us or our affiliates in our existing debt from time to time, whether in the open market, in privately negotiated transactions, through tender offers or through redemptions, and such transactions may be material.

Covenants

A financial covenant has existed from 30 September 2020 but is only required when the revolving credit facility is drawn by 40% or more (net of cash and cash equivalents). The covenant requires the Group to maintain the consolidated senior secured debt ratio below 10:1.

The Group complied with the financial covenants in the year. The Group is also required to comply with certain non-financial covenants in its bank facilities and notes, and these requirements were satisfied throughout the year.

Financial risk management

Note 5.3 to the financial statements provides information in the following areas:

- Liquidity risk – how the Group monitors cash requirements and actively manages surplus cash, together with details of the Group's contractual maturities.
- Interest rate risk – how the Group manages interest rate exposure.
- Foreign currency risk – how the Group manages foreign exchange transaction and translation exposures, together with details on the carrying value of financial assets and liabilities in foreign currencies.
- Credit risk – how the Group manages risks of customers or counterparties to financial instruments failing to meet their obligations.

The Group's risk assessments have identified liquidity/cash flow risk and foreign exchange translation risk as two of the Group's principal risks. Details of these and whether we believe they are increasing, decreasing, or stable, are set out on pages 23 to 24.

Going concern and liquidity

We continue to prepare the financial statements on a going concern basis. Our projections are based on what we believe is a balanced approach. The Group will continue to monitor liquidity regularly, following the approach as set out elsewhere in this Annual Report. Further details on the going concern assessment are set out in note 1.1 to the financial statements.

How we report our results

Financial Key Performance Indicators (KPIs) and Alternative Performance Measures (APMs) – we adopt certain APMs that in our view help present our trading performance in the most helpful and meaningful way. These can be summarised as follows:

- We refer to EBITDA. This is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment, and is after taking account of attributable profit after tax of jointly controlled entities. This is the profit measure we use internally to measure the performance of our attractions. It is the KPI that we feel most appropriately captures the ongoing ability of our attractions to generate operating cash flows. Reflecting IFRS 16, this measure does not include the cost of meeting the obligations under our leases, with the exception of performance-based rentals which continue to be reported within EBITDA.
- We refer to 'underlying' results, which provide a more direct comparison of trading performance. We refer to 'adjusting items' which reflect the impact of non-underlying activities. The underlying results and the adjusting items combine to create the total figures that are presented in the consolidated financial statements.
- We refer to operating free cash flow, which is Underlying EBITDA less existing estate capital expenditure, and which is then available to contribute to capital reinvestment to support further growth, meet the obligations under our leases, service the Group's debt facilities, settle our tax obligations and provide a return to our shareholders.
- To provide a more direct comparison of trading performance we refer to 'constant currency' performance, whereby growth is measured having restated accounting information in the current year at previous year foreign exchange rates.

Period under review – in most years we report on a '52 week' period. In certain years an additional week is included to ensure that the statutory financial year end date stays in line with the end of December.

Reference to financial statements – further information regarding the Group's segmental analysis; geographical revenues and assets; and certain operating costs are provided in note 2.1 to the financial statements on pages 58 to 61. Those areas requiring significant judgement in the preparation of the financial statements are summarised on page 57.

PRINCIPAL RISKS

RISKS AND UNCERTAINTIES

Internal control and risk management

In accordance with the delegated matters set out in the Shareholder Investment Agreement, Merlin maintains effective internal control and risk management systems, with Board Committees and executive management keeping them under regular review. These activities are supported by our corporate values, which we believe should drive good behaviours and actions by all employees.

The Company continues to be rigorous in its approach to the operational and financial control environment, with a strong focus on protecting corporate resources.

The Audit Committee and the Health, Safety and Security Committee continue to receive regular updates about changes in organisational risk to ensure that the effectiveness of the control frameworks is kept under review.

Internal control framework

The creation of an effective internal control framework helps ensure:

- proper financial records are maintained;
- the Group's assets are safeguarded;
- compliance with laws, regulations, policies and procedures including those relating to health and safety matters; and
- effective and efficient operation of business processes.

Merlin's internal control framework is designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The key elements of the internal control framework are described below:

- **Management structure** – clearly defined reporting lines, accountabilities, and authority levels.
- **Strategic planning, risk management and business performance monitoring** – reviewed by the Merlin Board annually, with our pipeline for the delivery of new attractions reviewed regularly to:
 - assess whether new compelling experiences and attractions in development are progressing according to schedule;
 - identify new ideas and assess fit with our brand portfolio; and
 - assess the expected commercial returns.
 Business objectives and performance measures are set annually together with budgets and forecasts. Regular business performance reviews are conducted at Operating Group and individual attraction level.
- **Policies and procedures** – a portfolio of policies and procedures is in place for all areas of the business. Their appropriateness and application are continuously monitored to ensure they are proportionate to the risk and are complied with. Assurance comes from several sources that include health, safety and security (HSS), financial and operational audit activities and self-certification.

Our key control activities include:

- **Operational** – there are a range of control measures and performance indicators in place to ensure the effective and efficient operation of our attractions and to give our guests safe and memorable visits.
- **Health, safety and security (HSS)** – all our sites operate using a well-established Safety Management System designed to ensure that they operate in compliance with relevant regulatory and legislative requirements. Regular HSS internal audits are undertaken to confirm this is the case, ensuring that any safety and security matters are understood and dealt with promptly.
- **Information technology** – the Group has a wide range of IT technical, security, and disaster recovery controls to ensure that it has a stable infrastructure platform from which to operate.
- **Financial** – our controls are designed to prevent and detect financial misstatement or fraud and operate at three levels. Oversight controls are typically performed by senior managers at Group and business unit level. Month end and year end procedures are performed as part of our regular financial reporting. Transactional level controls operate on a day-to-day basis. To specifically address potential fraud risks at a transactional level, a group of profit protection professionals are employed to support management in addressing these risks at an attraction level.
- **Business continuity planning** – disaster recovery plans and crisis management protocols are in place to allow attractions to reinstate performance should adverse events occur.

Risk management framework

The risk management framework sets out responsibilities together with the oversight, monitoring, reporting and management processes that support their fulfilment. The framework looks at both 'top down' and 'bottom up' approaches to risk management whereby the Merlin Board retains overall responsibility for risk management, while sites are responsible for identifying, assessing and mitigating operational risks.

Risk oversight and monitoring is the responsibility of the following Committees:

- **Health, Safety and Security Committee** – oversight and guidance on management of HSS risks. Responsible for ensuring compliance with legislation or industry standards in safeguarding guests, employees, visitors and contractors.
- **Audit Committee** – oversight and guidance on financial process risk. Responsible for assessing the effectiveness of the Group's overall approach to risk management and internal control.
- **Executive Committee** – oversight and guidance on management of commercial and strategic risk.

Each Committee reviews the principal risks on a regular basis and considers whether material changes in the external landscape or recent trading trends require alternative approaches to monitoring and managing risk. Committee members receive regular deep dive updates on topics related to significant risks as well as regular reporting from internal and external assurance providers.

PRINCIPAL RISKS

RISKS AND UNCERTAINTIES

Risk appetite

The Group's risk appetite falls into two distinct categories:

- **Compliance risk** – the requirement to comply with legislative or regulatory requirements in all territories where the Group operates. It includes, but is not limited to, ride safety, accounting practices, fraud and bribery, as well as ensuring compliance with the Group's values and ethical principles. In these areas we are risk averse and do not countenance any breaches in compliance obligations.
- **Commercial risk** – commercial risks are taken to maximise profitable growth and sustainable returns, without compromising the health, safety and security of guests, employees, contractors, other visitors or animals. They must be aligned with the Group's policies on sustainability and the environment. The Group manages these commercial risks through an appropriate analysis of threats and opportunities together with structured review processes, independent expert opinions and decision-making authority levels. Factors such as the scale of possible commercial upside, the potential market size, the quantum of downside risk and timescales involved may all be relevant to commercial risk decisions.

Quantitative and qualitative measures ensure effective governance of the Group's risk appetite. Quantitative measures include defined financial and non-financial targets such as EBITDA, operating profit, and guest satisfaction scores. Qualitative measures consider items such as reputational impact and compliance with laws and regulations.

Effectiveness of risk management and internal control systems

Based on its review of risk management systems, both throughout the year and annually, the Board is satisfied that the risk management and internal control systems that were in place during 2024 were effective.

Plans for 2025

During 2025 we will continue to evolve our risk management approach to:

- monitoring and measuring the impact of climate change and associated environmental issues affecting the territories in which our businesses operate;
- employee engagement and retention, as we seek to be the greatest place to work; and
- IT technical, security, and disaster recovery activities to deliver stable infrastructure platforms from which to operate.

At the same time, we will continue our journey to standardise and automate transactional processing activities, to deliver consistency of business process (through new ways of working, including a new operating model) and strengthen the internal financial control framework.

PRINCIPAL RISKS

RISKS AND UNCERTAINTIES

Principal risks

The Merlin Board has considered the feedback from the Board Committees and executive management on the range of risks that could impact the Group and has concluded that the principal risks are those set out in the table below. The Merlin Board sees no significant change in the outlook for most of the principal risks, with the exceptions of potential threats emanating from increasing cyber related activity and the economic uncertainties that are having an impact on the disposable income of our customers. The gross risk trend indicator included in the table reflects the exposure before mitigation and is used to compare to the previous year as to whether significant risks are stable, increasing or decreasing. Comments in the table provide extra detail to help illustrate the direction of specific risks.



Increasing risk



Decreasing risk



Stable

Risk	Description	How risks are managed
1. Safety 	Serious incidents leading to guests, staff members or contractors being harmed or becoming ill because of: - a failure to follow health and safety management systems. - fire, flood, storm or utility failure, potentially driven by extreme weather events. - substandard build quality or asset degradation; inadequate maintenance and management of buildings, infrastructure and vegetation.	- Regular performance reviews by Board Committee with a specific mandate for this area. - Ownership of health, safety and security (HSS) risks by line management. - Competent operational and engineering staff monitor and inspect facilities in accordance with a planned programme, backed up by professional HSS teams. - Annual risk register review and action planning processes. - Regular internal and independent external auditing and review regimes. - Contractor selection, approval and monitoring by in-house qualified project managers.
2. Cyber and physical security 	Inadequate cyber security measures leave the Group vulnerable to cyber attacks, potentially leading to data breaches, operational disruptions, and severe financial and reputational consequences. Reduction in guest confidence to visit the Group's attractions because of sabotage or a terrorist attack on a ride or attraction leading to a guest or staff member or animal in our care being harmed.	- Implementation of additional cyber security measures (including threat intelligence) to mitigate the increasing threat. 24/7 monitoring across Merlin technology environments to detect known cyber threats. - Perform periodic simulation cyber attacks to highlight weaknesses. - Detailed security protocols before individuals access an attraction (e.g. bag searches), as well as active co-operation with security forces and extensive use of CCTV. - Regular infrastructure reviews to reduce the opportunity for physical threats to guests, staff or animals. - Regularly tested major incident management plans. - Current events vigilantly monitored to identify emerging risks. - Appropriate insurance cover. - Regular updates provided to Board committees on any cyber or HSS incidents and the wider security landscape.
3. Commercial impact of external threats to location based entertainment operations 	Economic, personal health and security concerns that flow from geopolitical actions, terrorist activity, public health pandemics or climate change events, resulting in falling visitation to a location in which the Group operates, with displacement of both international and domestic tourists. In extremis, such events may lead to governmental or other regulatory instructions to close our attractions, including over multiple geographies. Exchange rate volatility can have a positive or adverse impact on inbound tourism. Acute periods of inflation can impact consumers' appetite for discretionary purchases.	- Increased geographical hedging as a result of further global diversification. - Ability to reduce variable expenditure, for example in staffing, property and marketing costs. - Ability to defer non-essential capital expenditure. - Crisis management procedures for each attraction that set out the appropriate response. - Ability to direct marketing and promotional activity towards domestic or international audiences depending on tourism trends. - Ability to promote access to a wide portfolio of attractions using annual pass or cluster ticketing.

PRINCIPAL RISKS

RISKS AND UNCERTAINTIES

Risk	Description	How risks are managed
4. Innovation, brand development and customer satisfaction 	Our growth potential could be impacted if guests: - consider our offerings are outdated, no longer relevant or enjoyable; or - provide negative social media comments that adversely influence the likelihood of a customer to visit an attraction.	- Customer feedback collected at every location and analysed against challenging satisfaction targets. Actions then taken accordingly. - Ongoing investment in our attractions to continually refresh the guest experience. - Engagement with the public and on social media to take any requisite action.
5. People 	The challenge of attracting and retaining appropriately experienced and well-motivated staff, especially in locations with significant upwards wage pressures could impact: - guest satisfaction; or - the successful delivery of planned organisational change and future expansion.	- Driving greater productivity to ensure more motivated, better rewarded employees. - Reviews of employment markets and salary benchmarking. - Personal development plans across the business to encourage long term employment stability. - Proactively managed succession planning processes embedded across the Group. - Annual employee survey to monitor employee engagement and identify opportunities to develop HR policies and processes.
6. Competition and Intellectual Property (IP) 	Competition – for leisure time; from new or existing providers of location based entertainment; and for IP around which compelling propositions are created. The commercial benefits from using third party IP may be lost from waning interest or withdrawal of permission to use third party IP content, where contractual obligations are not met, or partner relationships are not managed effectively.	- Diversification of the portfolio. - Ongoing investment to ensure continued appeal to visitors. - Competitor research and monitoring. - Dedicated in-house creative team to deliver new and innovative compelling propositions and IP. - Proactive management of IP partnerships.
7. Availability and delivery of new sites and attractions 	The ability of the Group to grow in line with strategic objectives could be inhibited by the lack of: - economically viable sites to locate Gateway attractions and LEGOLAND resorts; and - timely approval of planning consent required for building new rides, attractions and accommodation.	- Experienced site search and business development teams, working several years in advance to maintain a strong pipeline of opportunities. - Sites regularly update development masterplans and work closely on fostering links with local communities and planning authorities. - Dedicated resources used to support the Group's strategy.
8. Animal welfare 	Incidents or staff behaviours leading to animals in our care being harmed as a result of: - a failure to follow prescribed welfare protocols; or - inadequate maintenance and management of buildings, infrastructure and vegetation.	- External zoo licence audits / accreditation audits. - Third Party Animal Welfare Audits and responding to associated action plans. - An internal ethics committee and the SEA LIFE Conservation, Welfare and Engagement team monitor the treatment of animals. - A comprehensive range of policies, standards, procedures and guidelines. - Training for all staff who interact with animals. - Planned preventative maintenance programmes to ensure buildings, infrastructure and vegetation remain suitable for displaying the animals in our care.

PRINCIPAL RISKS

RISKS AND UNCERTAINTIES

Risk	Description	How risks are managed
9. IT resilience, data security and innovation 	The Group relies on a complex network of IT systems. Outdated technology or system failures can disrupt operations, impacting attractions and potentially halting trading, or lead to a loss of personal data (including sensitive information) relating to customers, employees, or the organisation. Failing to embrace technological advancements that meet evolving guest expectations risks hindering growth and competitiveness.	- Strategic focus to ensure the long term stability of operating systems and data security, whilst keeping pace with changing consumer IT expectations. - Increasing resilience and stability of IT infrastructure and security through an expanded use of secured hosting partners and penetration testing regimes. - Implementation of additional security measures to mitigate the increasing threat of cyber security risk. - A number of data protection policies are in place to protect the privacy rights of individuals in accordance with relevant data protection legislation. - Continuous review of our data protection approach in light of evolving legislation in all operating territories. - Independent assessment of compliance arrangements. - Regular updates provided to the Merlin Board by the Chief Digital and Data Officer on any cyber incidents and the wider cyber security landscape.
10. Impact of increasing costs on operating margins and returns on capital 	We are currently seeing significant inflationary pressures in a number of economies. This includes areas such as wages, fuel and energy costs. Such inflationary pressures on cost of sales, operating costs and capital expenditure programmes may not be fully compensated by increases in selling prices or the ability to redesign capital projects to keep expenditure down.	- Strategic focus on pricing associated with changing consumer expectations. - Increasing the proportion of the cost base that is variable in nature or can be flexed to meet demand. - Effective financial and contractual controls regarding procurement activities. - Redesign capital schemes to a lower cost outcome.
11. Fraud, bribery and corruption 	Merlin's business model for sales is low risk, the majority of transactions being with individual customers at low values. From a procurement or service delivery perspective, Merlin currently operates in or is establishing operations in a number of territories which have a propensity for incidents of bribery and corruption. Any such incident could lead to criminal or civil prosecution, fines and cause reputational damage to the Group.	- A well-embedded corporate culture in which fraud and bribery at any level are not tolerated. - Global fraud and bribery training programmes. - Financial and contractual controls with regard to procurement activities. - Internal audit monitors purchasing processes on a rotational basis. - A separate profit protection team monitors for theft or other criminal activity across the Group and ensures best practice for protection is shared between sites. - A whistleblowing policy is in place together with an independently operated employee hotline.
12. Liquidity/cash flow risk 	A lack of liquidity could inhibit the ability of the Group to grow in line with strategic objectives if: - insufficient cash is generated during peak trading periods to cover fixed costs, interest and tax payments and capital investments (including strategic acquisitions, the addition of new Gateway attractions, the development of new LEGOLAND resorts and new accommodation offerings). - changes in global credit markets impact the Group's long term ability to meet current growth targets. - there is an increase in short term interest rates in primary borrowing currencies. In extremis, adverse events may lead to a requirement to seek extra sources of liquidity.	- A committed £428 million multi-currency revolving credit facility assists with liquidity and seasonal cash flow requirements. - Review of weekly cash flow forecasts covering a period of 12 weeks assists planning for short term liquidity. - Strategic plans cover at least four future years and are reviewed regularly to ensure sufficient financial headroom exists or whether it needs to be created in the future. We also monitor the impact of the plans on the covenant tests set out in the Group's banking facilities. - Interest rate risk is managed through a combination of fixed rate borrowings and hedges taken out on floating rate debt. - Merlin maintains strong relationships with a number of lenders and keeps the debt markets under review in order to ensure that funding can be obtained at the right time and at the right price to ensure the availability of funds to meet strategic growth plans.

PRINCIPAL RISKS

RISKS AND UNCERTAINTIES

Risk	Description	How risks are managed
I3. Foreign exchange translation risk 	Merlin generates its main profits in Sterling, Euros and US Dollars and has debt in Euros and US Dollars. Merlin reports its results in Sterling and is therefore subject to translation risk from exchange rate fluctuations when reporting its consolidated results.	• The Group presents constant currency figures where appropriate to show underlying results excluding the impact of translation differences. • Treasury policies in place and reviewed annually with regular reviews of currency exposures. • Broad match of borrowings in the currencies of underlying profits.
I4. Climate change and environmental responsibility 	The combination of not managing the transition to a low carbon economy and the physical effects from climate change on the factors noted below must be managed carefully to reduce potential negative impacts on future business performance: • guest and staff attitudes and behaviours; • attraction operations and site management; • the availability of raw materials and products; • the geography of the locations from which we source and work; and • the condition of our buildings.	• Targets set by the Board, with monitoring and reporting – since 2024 – overseen by an ESG Council, a dedicated sub-committee of the Executive Committee. The role of this Council is to drive the ESG strategy throughout the organisation, monitor its implementation and provide quarterly updates. • Clear operational accountabilities in place for achieving environmental aims. • Environmental responsibility and regulatory requirements considered alongside commercial outcomes. • Responding early to changes in guest and staff sustainability preferences. • Managing the cost impact to guests by introducing new sustainable materials and recycling operations. • Conscious inclusion of design features to address climate related impacts (e.g. shading or water misters). For more details on the activities we employ to identify and manage climate-related risks, please see pages 30 to 36.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MERLIN – MORE TO YOUR WORLD

Our approach

At Merlin, we are committed to including more people in moments of joy that spark positive change. Our journey is rooted in the recognition of the global footprint of our business, and we are committed to making a positive impact – the Merlin way. We are forever evolving and pushing ourselves to do better across the attractions and geographies in which we operate.

In 2024 we approved our 'More to your World' ESG strategy. This strategy comprises three pillars: (i) inspiring people, (ii) caring for the planet and (iii) protecting nature. Underpinning the three pillars of our ESG strategy is our commitment to achieving world class health, safety and security performance and conduct our business responsibly, respectfully and ethically. Details are set out below and the sections that follow also include information on the five specific areas required under the non-financial reporting requirements under s414CB(1) of the Companies Act 2006.

Inspiring People		Caring for the Planet		Protecting Nature		
Convictions	We believe that our world should be a joyful, welcoming and inclusive place for all.		We believe that all the planet's resources are precious.		We believe that nature's wonder must be cared for.	
Ambitions	Belonging So we will strive to be the first-choice operator for guests and talent from all communities and backgrounds.	Wellbeing So we will support our teams to achieve and maintain their best mental, physical and emotional health.	Decarbonisation So we will reduce emissions across our value chain.	Waste So we will continue to rethink, refuse, reduce, reuse and recycle the resources used within our attractions and offices.	Conservation So we will contribute to reversing the decline of biodiversity in all regions with Merlin locations.	Welfare So we will deliver best practice animal care and rehabilitation.
	2030 Goals - Achieve 85% belonging score. - Provide all teammates with learning support for career advancement, achieving 85% active participation. - Achieve 50% gender balance in Global Leadership positions. - Provide all teammates with access to wellbeing programmes, achieving 85% active participation.		2030 Goals - Achieve carbon neutrality in Scope 1 and 2. - Remove single-use plastic packaging from all retail merchandise. Where removal is not possible, recycled plastic alternatives will be used. - Achieve 90% recycling & recovery rate across our resort theme parks and owned LEGOLAND parks.		2030 Goals - Establish three dedicated Centres for Species Survival. - All Merlin locations to be actively delivering a conservation project. - Breed and rewild at least 20 threatened animal species. 100% of animal welfare teams to complete one or more Animal Welfare Academy courses in welfare best practice.	

Foundations

Health, safety and security

Our commitment to achieving world class health, safety and security performance is paramount to our operations. More information can be found on pages 28 to 29.

Responsible business conduct

A foundation of our commitment to responsible business conduct includes maintaining and monitoring compliance with key principles as set out below.

- Anti-corruption and anti-bribery matters** – Merlin's methodology regarding the management of anti-bribery and corruption risks is set out on page 23. We have a zero-tolerance approach, with regular reports on whistleblowing being provided to the Audit Committee.
- Ethical sourcing** – we have a responsibility to the workers in our supply chain and seek to ensure our products are made in an appropriate environment and the products we source are produced in accordance with international laws. We have ethical dealing principles which we seek to incorporate in contractual obligations as well as a conflicts of interest policy applicable to employees. Our Modern Slavery Statement can be found on our corporate website.
- Human rights** – Merlin respects and supports human rights and is committed to the highest level of ethical standards and sound governance. We aim to act ethically and with integrity in all our business dealings. As part of this commitment Merlin has implemented a Human Rights Policy, guided by the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, together with the OECD Guidelines for Multinational Enterprises.
- Tax** – we take our responsibility to be a good corporate citizen seriously and recognise tax is an important area for investors, tax authorities and other stakeholders. Our Tax Policy is available on our corporate website.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MERLIN – MORE TO YOUR WORLD

INSPIRING PEOPLE

Shaping more inclusivity, growth and hope through belonging and wellbeing.

Belonging

Our ambition is to be the first-choice operator for guests and talent from all communities and backgrounds.

Our staff represent around 90 nationalities around the world, and our focus is on cultivating belonging for each and every one of them. To achieve this, we have implemented a strategy that outlines practical steps and our 'Everyone Matters at Merlin' programme looks to celebrate and enhance further inclusivity within the business.

In 2024 more than 20,000 staff completed our employee culture survey, a response rate of 86%, and our overall belonging score increased by six percentage points to 74%. We operate in a sector with a typically high employee turnover and we expect our focus on belonging will support our employee base. Reward and recognition programmes have been designed to support belonging and align with our strategic objectives, including for example front line team bonuses linked to Net Promoter Score (NPS) performance.

Everybody should have access to magic. We are active members of the Business Disability Forum and have set up an internal group that shares lived experiences to help us develop accessibility at our attractions. Our success is reflected in the fact that our global NPS score is higher for guests with disabilities than without.

An example of our commitment to inclusivity during the year was our investment in 21 accessibility projects across eight countries, including new facilities and upgrades to existing amenities, to help transform the attraction experience for guests with disabilities worldwide.

We also take immense pride in our dedicated partner children's charity, Merlin's Magic Wand, which has during the year delivered over 105,000 Magical Days Out tickets to children and their families facing challenges of serious illness, disability and adversity.

Gender reporting

At December 2024, one of the Company's eight Directors and three of the ten Executive Committee members were female.

At December 2024, of the Group's senior management positions (being attraction general managers up to and including the Executive Committee), 177 / 40% (2023: 166 / 38%) were female and 262 / 60% (2023: 272 / 62%) were male.

The percentage of female permanent employees is 50% (2023: 50%) totalling 6,021 (2023: 6,103).

Merlin continues to report on UK employees under the UK gender pay gap reporting rules, which identify differences in pay between men and women. For the latest available reporting period to 5 April 2024, Merlin's mean gender pay gap (calculated as the difference between the average hourly pay of men and women as a percentage of the average hourly pay of men) was 13.3% (2023: 16.3%). The median gender pay gap (the difference between the hourly pay of an employee in the middle of the range of male wages and an employee in the middle of the range of female wages), was 2.5% (2023: 3.0%).

The gender pay gap is not derived from intentional inequality but reflects the composition and nature of our workforce. Within Merlin, a greater proportion of senior positions are currently held by men. In our pursuit of gender equality, we are intensifying our focus on encouraging and engaging more women to pursue roles within our organisation. We are pleased that the gender pay gap continues to narrow. We have a 2030 goal to achieve 50% gender balance in Global Leadership positions.

Employee communication

Throughout the year, lines of communication with our employees were maintained, ensuring that all employees were kept fully updated on business operations on a regular basis.

We launched Go Together, our global communications and engagement platform, connecting all our employees – from the Executive Committee to the front line – at their fingertips. It fosters seamless conversations, strengthens connections, and celebrates our culture and belonging worldwide. Alongside this, we introduced our first internal TV show, Go Watch, featuring teammates at iconic attractions around the world. The show shares business news, CEO updates on strategy, and performance updates, with each episode linked to our values.

Recruitment, training and development

Merlin runs a variety of training and development activities across all parts of the business, ranging from induction training and role specific learning, through management and leadership programmes, and on to executive leadership development. We operate a blended mix of online learning and development, combined with 'in person' programmes for leadership development and critical skills such as marketing, engineering and commercial training.

Our Merlin Careers website shows available roles across the business globally as well as providing information on our development programmes.

Risk management

For details of how we manage the risks of people availability and their expertise, see page 22.

Wellbeing

Our ambition is for our teams to achieve and maintain their best mental, physical and emotional health.

During the year we relaunched our Employee Assistance Programme (EAP) and our employee wellbeing programme provides tailored resources to offer support, advice and guidance to all employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

MERLIN – MORE TO YOUR WORLD

CARING FOR THE PLANET

Prioritising more action, innovation and reduction through decarbonisation and waste management.

Decarbonisation

As a business whose purpose is to bring people together, we are taking measurable and meaningful action to address a challenge that affects us all – climate change.

Every day, we are enacting changes towards reduced emissions in our operations and value chain in pursuit of our 2030 goal to achieve carbon neutrality in our company operations (Scope 1 and 2). In parallel, we will collaboratively work towards tackling our emissions across the value chain (Scope 3) with our suppliers and customers.

In 2024 we invested £2 million in 50 projects through Merlin's green energy capex programme, delivering annual energy savings of 3,924 MWh, representing enough power for 8,076 spins of the London Eye. We also opened our first operationally carbon-neutral LEGO themed holiday village focused on nature and located in woodland at LEGOLAND Windsor Resort.

We participate in the UK Energy Savings Opportunity Scheme and other applicable environmental regulations globally. On pages 30 to 36 we describe the risk management activities we employ to identify and manage climate-related risks and opportunities, conforming to the UK Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Waste

We believe that all the planet's resources are precious.

We continue to review our retail stores to remove unnecessary packaging and plastic across our merchandise and grow our recycling rate across our theme parks. In 2024 we operated 28 reverse vending machines as recycling receptacles at 11 attractions in the UK as part of a joint initiative in partnership with Coca-Cola to incentivise and encourage recycling.

Our Environmental Policy can be found on our corporate website.

PROTECTING NATURE

Igniting more curiosity, care and discovery through conservation, animal welfare and education.

Conservation

Through our extensive animal care and habitat conservation efforts, we connect more people to nature and educate millions of guests every year.

We are dedicating more time and money than ever to important causes which have a direct impact on wild species, including animal rescues, rehabilitation and releasing or rehoming, habitat protection and breeding programmes. Our ambition is to continue to grow these efforts.

Some recent examples of our conservation-driven initiatives during the year include:

- announcing an additional funding boost for 16 new global conservation projects spanning four continents and six countries selected by Merlin's Global Conservation Board, together with our partner charity the SEA LIFE TRUST
- over 1,000 employees volunteering in the SEA LIFE TRUST global beach clean, which resulted in over 4,500kg of litter being removed from the environment.

The SEA LIFE TRUST is a registered charity which we established to protect marine wildlife and habitats through a wide range of welfare and conservation initiatives, including by founding the world's first beluga whale sanctuary in 2019.

Animal welfare

We believe that nature's wonder must be cared for.

It's our team of passionate animal experts that make it all possible. Every day they work to deliver best practice animal care and rehabilitation, while also taking the time to share their knowledge through immersive educational experiences guests can enjoy at our zoos and aquariums.

To monitor the welfare of animals at our attractions, we routinely conduct external zoo licence audits and maintain an internal ethics committee that partners with our in-house network of zoologists, marine biologists, aquarists and industry experts that form our Conservation, Welfare and Engagement team. We implement a comprehensive range of policies, standards, procedures and guidelines and deploy preventative maintenance programmes on an ongoing basis.

For details of how we manage the risks regarding animal welfare, see page 22.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

HEALTH, SAFETY AND SECURITY

DEDICATED TO DELIVERING HIGH STANDARDS

In accordance with the Shareholder Investment Agreement, the Board has created a Health, Safety and Security Committee which, together with the Merlin Board and management, ensures that Merlin is dedicated to delivering best-in-class health, safety and security (HSS) standards that are clearly understood and implemented across the Group. These standards help ensure the safety and wellbeing of our guests, employees and contractors. To support this mission, Merlin sets out its core HSS strategic initiatives and how these must direct and focus all efforts in a manner that is both systematic and progressive. To aid good governance and the application of robust rigour, this Committee is chaired by an independent specialist in the field of HSS.

To help communicate these initiatives to our key internal and external stakeholders, Merlin publishes an informative brochure called 'Protecting the Magic – a Guide to Health, Safety and Security at Merlin Entertainments'. This document is available via our corporate website.

Protecting the Magic

Health, safety and security is our number one priority. It's reflected in our corporate values and culture, together with the training our people receive and our day-to-day safe working practices. We have a dedicated programme called 'Protecting the Magic' to sustain awareness, drive workforce engagement and uphold a positive and proactive safety culture. This helps our management teams and employees manage risks, prevent accidents and deliver truly memorable guest experiences. It means that everybody at Merlin plays a crucial role in safeguarding guests, colleagues and the animals in our care.

Supporting this, we have systems and procedures to effectively assess and mitigate risk, whilst fostering strong health, safety and security expertise across Merlin. As part of this, we tasked our attraction management teams in 2024 to 'deep dive' review the robustness of controls measures in relation to some specific potential safety risks, such as live ride area working and facilities maintenance activities. Merlin's flagship policy governing the safety competency requirements for ride engineers was also subject to review and enhancement, as were our policies on diving safety and aquarium tank integrity inspections.

To help better equip our management teams a suite of new health and safety guidebooks were prepared and briefed out to make it easier for them to more easily understand the requirements of Merlin's safety standards as they relate specifically to each Gateway brand. Such tangible examples of continuous improvement help ensure we are at the forefront of best practice in our sector.

At Merlin, we have a full lifecycle approach to safety – from initial design, through construction to engineering maintenance and to day-to-day operations where our teams deliver amazing experiences and ensure our attractions remain safe on an ongoing basis. Our safe and successful launches of new products in 2024 provide testament to these collaborative and structured safety processes. These included the record-breaking 'Hyperia' ride at Thorpe Park; the 'Minifigure Speedway' ride and new 'Woodland Village' at LEGOLAND Windsor; the 'Forest Adventure Lodge' and Peppa Pig Theme Park at LEGOLAND Deutschland.

The overall strength of our HSS performance is evidenced by the continued low level of Merlin's Medical Treatment Case rates (relating to guests and employees), as seen in the KPI table on the following page. It was also pleasing to see a year-on-year reduction in our Medical Treatment Case Rate for employee injuries.

Merlin's HSS audit programme continued through 2024. Specialist auditors in the fields of safety, engineering and food safety undertook deep dive audits across a range of attractions. Such audits remained complemented by independent ride safety inspections undertaken each year by specialist third party ride examiners, as commissioned by Merlin.

Strategic HSS initiatives

The following strategic initiatives form the cornerstones to Merlin's 'Protecting the Magic' programme:

- **Leadership and engagement** – requiring our leaders to exhibit visible, proactive and unwavering leadership towards HSS, supported by our people who are fully engaged with this shared responsibility. An example is 'safety leadership walks' which are on-site walks, both in visitor areas and 'back of house', by senior leaders in the business where dedicated time is spent talking with staff about HSS matters and understanding what more can be done.
- **Competency and culture** – fostering a positive and proactive safety culture, with competent and talented people focused on the effective management of HSS risks. Rigorous training and instruction are fundamental to Merlin's approach to HSS across the business, with mandatory new starter training for all employees and safety leadership training for managers.
- **Assessment and control of risk** – identifying, understanding and controlling HSS risks effectively. For example, in the area of fire safety, fire engineering surveys of our hotels have helped ensure that we continue to uphold the highest of physical and procedural controls at all of our hotels. With regard to food safety we adopt the best practice system of Hazard Analysis and Critical Control Points (HACCP). We ensure traceability and assurance over food produce sources and support our guests in their choice of products based on their specific dietary and allergy requirements.
- **Standards and procedures** – developing and rigorously implementing clear and suitable standards and procedures for safe design, construction, maintenance and operation of assets and equipment.
- **Assets and equipment** – managing our assets and equipment to ensure they are fit for purpose throughout their life cycle and that no unacceptable or uncontrolled HSS risk is created. Maintenance systems and procedures comprise daily, weekly, monthly and annual maintenance programmes across Merlin's rides, buildings, facilities and estates.
- **Monitoring and assurance** – assessing and critically reviewing our performance in a balanced and objective manner, in order to understand, improve and sustain our HSS performance. HSS performance, including near-miss and incident reporting, is regularly reviewed by each attraction, each Operating Group's senior leadership team and the HSS Committee, with best practice learning shared throughout the HSS management community. All attractions undergo three types of routine health and safety reviews (annual self-audits, independent internal audits and periodic independent external audits), in addition to pre-opening assessments and tactical ad-hoc audits. A comprehensive food safety audit programme is also undertaken by third party specialists.

This process includes the use of two types of performance metric, being:

- Leading indicators** – which monitor the activities we undertake as part of our HSS governance and monitoring processes. Our approach includes arrangements by attractions for near-miss/unsafe condition reporting, trend analysis and corrective action management.
- Lagging indicators** – which capture incident rates for both guests and employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

HEALTH, SAFETY AND SECURITY

The results of our monitoring and assurance activities are set out below.

Leading indicators	2024	2023
Safety Inspection Certificates – Rides ⁽¹⁾	100%	100%
Safe Operating Procedures – Rides ⁽²⁾	100%	100%
Food Safety Audits ⁽³⁾	91%	90%
Safety Culture Survey Results ⁽⁴⁾	78%	73%
HSS Committee Meetings ⁽⁵⁾	100%	100%
Lagging indicators		
Medical Treatment Case Rate (Guests) ⁽⁶⁾	0.01	0.01
Medical Treatment Case Rate (Employees) ⁽⁶⁾	0.03	0.04

(1) Safety Inspection Certificates are issued annually by independent ride examiners following the thorough inspection and testing of every theme park ride in Merlin. This % score indicates the percentage of rides that have valid annual Safety Inspection Certificates issued, or a formal and time limited extension granted to such an annual inspection.

(2) Each theme park ride in operation in Merlin must have Safe Operating Procedures in place covering the ongoing use of the ride. These procedures must state what the necessary risk controls are for each ride. This % score indicates the percentage of rides that have Safe Operating Procedures in place.

(3) Merlin commissions an independent specialist to audit attractions for compliance with its Food Safety Manual. This % score represents the average compliance score and includes those additional compliance audits completed in-house by Merlin's Group Head of Food Safety and Public Health. Where opportunities for improvement to local practices are identified, these are discussed with local management and plans implemented to address them.

(4) Merlin's annual employee survey features a series of questions relating to health and safety and this % score represents the overall safety engagement score.

(5) Through the HSS Committee the Merlin Board provides strategic direction and performance scrutiny of HSS matters within the business. Additionally, each Operating Group has its own HSS Steering Committee. These forums are intended to meet quarterly and this % score indicates compliance with this expectation.

(6) A Medical Treatment Case (MTC) is defined as an injury which requires external medical treatment (i.e. ambulance attendance to the site or hospital visit directly from the site). The rates referenced are the number of MTCs relative to either 10,000 guest visitations or 10,000 employee hours worked.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED REPORTING

GOVERNANCE

Describe the organisation's governance around climate-related risks and opportunities

Board oversight of climate-related risks and opportunities

The Merlin Board has ultimate responsibility for managing the Group's environmental impact and ensuring our business operations are resilient to climate-related risks. It takes into account these considerations when carrying out its duties, which include:

- approving the Group's environmental, social and governance (ESG) strategy including its carbon strategy;
- approving the sustainability aspects of annual capital expenditure budgets and major capital projects; and
- reviewing financial reports and ESG performance metrics.

The Merlin Board oversees and monitors those climate-related issues that feature within our principal risks. Significant risks, including climate-related risks identified by the Executive Committee, are reported to the Merlin Board at least annually. The Merlin Board has approved our carbon strategy which sets out our goal to become carbon neutral for Scope 1 and 2 by 2030, to be achieved by reducing our emissions through energy efficiency projects, onsite renewable energy generation, offsite renewable energy generation, green tariffs and high-quality carbon offsets.

The Chief Legal Officer and Head of ESG reports biannually to the Merlin Board on progress with our ESG goals, including our carbon neutral goal.

Management's role in assessing and managing climate-related risks and opportunities

The Executive Committee plays a pivotal role in our sustainability efforts. It oversees the development of our sustainability strategy, reviews sustainability components of all significant new capital expenditure projects, and reviews climate-related risks and opportunities across the business. In 2023, we conducted a groupwide climate risk assessment with third party consultation, integrating material climate-related risks into the Group risk register.

In a notable development for 2024, the Executive Committee established the ESG Council, a dedicated sub-committee. The Council's mandate is to drive the ESG strategy throughout the organisation and monitor its implementation. The ESG Council oversees performance reporting against our ESG goals, including our carbon neutral goal, and provides quarterly updates to the Executive Committee via the Chief Legal Officer and Head of ESG.

To ensure widespread understanding and engagement, we communicate sustainability-related issues through various channels. These include townhall meetings, targeted sustainability presentations to key stakeholders (such as project teams, procurement, engineering, and general managers), and internal communication boards.

The Group Sustainability Director ensures consistent implementation of the Group's sustainability strategy and climate risk management across our global operations. Leading the sustainability team, the Group Sustainability Director also collaborates with business units to deliver on strategic objectives in sustainability and climate change.

This comprehensive governance structure ensures that sustainability and climate considerations are deeply embedded in our corporate strategy and operations, from Board level through to business units.

Merlin's governance structure is set out on page 38.

Approach to climate risk management

We take a 'top down' and 'bottom up' approach to climate risk management. At all Merlin attractions, climate-related risks are managed by local senior operational management supported by members of the sustainability team.

Other teams with specific climate-related responsibilities are as follows:

- **Capital project teams** – ensure the integration of sustainability KPIs to manage climate risks in new development projects.
- **Engineering and facilities teams** – support the sustainability team in identifying energy efficiency opportunities and obtaining internal 'green capex' funding for energy efficiency projects.
- **Finance teams** – ensure that capital allocation programmes consider the impact of climate risks in decision making. They also support the sustainability team with the green capex fund annually to ensure that energy efficiency opportunities are identified and actions to deliver such efficiencies are implemented.
- **Procurement teams** – work with the sustainability team to ensure that we are engaging suppliers on climate risks and opportunities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED
REPORTING

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material.

Climate-related risks and opportunities identified over the short, medium, and long term

Our strategy is underpinned by the commitment to manage climate-related issues in the short, medium, and long term, and identifying that the attractions we develop and occupy now will still be here far into the future. Without appropriate risk management, climate-related risks could have serious financial and reputational implications to the business.

In 2023 we conducted a qualitative climate risk assessment across two climate scenarios, RCP 4.5 and RCP 8.5 (see page 34), created by the Intergovernmental Panel on Climate Change (IPCC), to identify the top climate-related risks and opportunities for Merlin over the short term (2020-2030), medium term (2030-2040) and long term (beyond 2040). We have selected time horizons aligning with climate policy, available data, and relevance to our business, taking into consideration the lifetime of assets and the knowledge that climate-related issues, especially physical risks, will manifest more acutely over the medium to longer term.

Short term: 2020-2030	Medium term: 2030-2040	Long term: beyond 2040
Plans and resilience measures need to be put in place in the more immediate term to mitigate the largest impacts in the current decade.	The medium term time horizon reflects scientific data that indicates by 2040, global temperatures will rise 1.5 degrees above pre-industrial levels.	We understand the importance of considering long term climate-related risks, as inaction in the near term could result in human harm, disruptions to normal operations and reputational damage or reduced asset values if we operate in at-risk areas, particularly as climate risk awareness matures in the coming years.
We are aware of the need to implement climate risk mitigation immediately; hence we plan to achieve carbon neutrality (Scope 1 and 2) by 2030.	To demonstrate our proactive action to manage Merlin’s climate impacts, we plan to maintain our carbon neutrality, initiate a programme on the decarbonisation of heat and continue to engage with our supply chain to manage our scope 3 carbon emissions.	Physical climate risks are also more likely to materialise in their most severe form in the latter half of the century. We plan to accelerate the decarbonisation of heat in the estate as well as continue to engage our supply chain to manage our Scope 3 carbon emissions.

Scenario analysis

Our research-led climate risk assessment covered a broad range of climate-related risks, selected as appropriate to the geography and type of in-scope assets. This exercise identified the top eight climate-related risks to the business across each time horizon, together with certain climate-related opportunities. The climate-related risks assessed included physical risks and transition risks, across the RCP 4.5 and RCP 8.5 emissions scenarios.

We recognise that climate change’s impact manifests in diverse ways geographically. We therefore identified the top climate-related risks at a site/business level and a regional level. The assessment qualitatively considered the impact and likelihood of a range of physical and transition climate-related risks by analysing the most up-to-date, peer-reviewed scientific literature, such as that published by the IPCC, CDP, the World Health Organisation and the International Energy Agency. To assess projected likelihood and frequency under each climate scenario, we utilised return period data (e.g., ‘1 in 50’ year return) published by the IPCC to inform the scoring methodology.

The impact assessment considered hazard impact, financial impact and ease/cost of mitigation. Scoring ranged from minimal/no impact to catastrophic impact threatening the future of the business.

The likelihood assessment was based on the probability, frequency, duration of impact and the speed at which the risk materialises, ranging from risks with a short duration that materialise gradually, to risks that materialise rapidly and endure over a significant period.

Asset type vulnerabilities to each climate hazard were also accounted for in the scoring methodology to reflect whether the asset, as an indoor or outdoor entertainment location, possessed an inherent vulnerability to specific risks. For example, outdoor assets in theme parks are inherently more vulnerable to heatwaves and will require innovative adaptation solutions to protect infrastructure and customers as we will be unable to rely on air conditioning. The impact score was therefore elevated appropriately.

When assessing financial impact, we factored in how each risk could impact our brand value and reputation, revenue, asset values, operational expenditure and capital expenditure, to understand the financial risk that climate-related risks pose to the business.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED REPORTING

Top climate-related risks

In 2023, we conducted a comprehensive qualitative assessment to identify the most significant climate-related risks to the business. We reviewed these risks in 2024 and found that they remain relevant and unchanged.

These key risks are outlined below, together with their potential implications and the actions we are taking to mitigate their impacts. During 2024 we have made substantial progress in addressing these actions through the continued implementation of our carbon neutral strategy. This includes significant investments in onsite renewable energy and the continued utilisation of our green capex fund. Further details on progress can be found on page 34, where we describe our four core delivery streams. These ongoing efforts demonstrate our commitment to actively working to mitigate climate-related risks and enhance Merlin's resilience in the face of climate change.

Time horizon	Risk type	Risk	Risk description	Risk impacts	Actions
Short term: 2020-2030	Transition	Fuel source transition	Energy mix shifts from fossil fuels to renewable energy, implying the reallocation of investment towards the uptake of and demand for low-carbon technologies.	- Reduced asset values. - Costs of quicker than intended equipment upgrades due to shifts in demand/legislative requirements. - Capital expenditure to implement low carbon technologies.	- We are implementing our carbon neutrality strategy for our Scope 1 and 2 emissions. Onsite energy generation using solar and driving energy efficiency across the estate are vital pillars of the strategy. - New development projects prioritise air source heat pumps over natural gas boilers.
Short term: 2020-2030	Transition	Higher energy demand/cost	Changes to seasonal patterns, temperature extremes and carbon taxation could each increase the operational costs of infrastructure.	- Rise in energy prices due to support for low carbon generation and taxation. - Increased operational costs, fuelled by price increases and rising demand for cooling. - Increase in material and procurement costs due to supply chain disruptions and carbon tax on embodied carbon. - Increased uptake and expectation of use of circular economy principles.	- Invest in onsite renewable energy. - Identify energy efficiency opportunities within our estate and use green capex and infrastructure capex funds to implement energy efficiency recommendations. Examples include LED lighting, variable frequency drives, activated filter media filtration systems at our aquariums, efficient pumps and building management systems.
Medium term: 2030-2040	Physical	Heatwave	A heatwave is an extended period of hot weather relative to the expected conditions of the area at that time of year, which may be accompanied by high humidity.	- Degradation of plant and equipment leading to increased energy demand and capital expenditure associated with replacement. - Increased operational costs. - Interrupted business operations and reduced workforce productivity. - Negative health and wellbeing impacts, which can also lead to reputational risks. - Reduced demand for sites without energy efficient cooling and/or ventilation.	- Invest in shading at resorts and increase the number of misters, to help manage health and wellbeing impacts. - Engage suppliers on UV radiation/heatwave resistant materials.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED REPORTING

Time horizon	Risk type	Risk	Risk description	Risk impacts	Actions
Medium term: 2030-2040	Physical	Extreme weather events	Extreme weather events are more frequent and incur greater impact from storms and heavy winds, exacerbated by changes to sea temperatures and seasonal patterns.	- Repair costs and loss of access impacting revenues during extreme weather events. - Interrupted business operations and reduced workforce productivity.	- Implement extreme weather strategies, such as hurricane emergency response plans, at our at-risk assets. - Ongoing review of natural catastrophe insurance requirements at key at-risk sites.
Medium term: 2030-2040	Physical	Fluvial flooding	Flood events which are caused by a river exceeding the capacity of the channel and overflowing.	- Repair costs and loss of access impacting revenues in a flood event. - Capital expenditure to install flood defence measures. - Reductions in regional investment and footfall. - Decline in asset value or stranded asset risk.	Implementation of flood mitigation solutions at sites prone to flooding. For example, at Thorpe Park Resort we have a flood mitigation area.
Medium term: 2030-2040	Physical	Water stress and drought	Water becomes increasingly scarce, with supply unable to meet demand. As temperatures rise, average drought lengths could increase, with implications on water costs, supply chains and public health.	- Rise in operational costs and downward pressure on asset values for water inefficient assets. - Capital expenditure to improve efficiency. - Increased operational costs.	- Promote water saving initiatives like low water aerator faucets, waterless urinals and low flow showers across the Group for water efficiency. - Introduce low water maintenance gardens.
Long term: beyond 2040	Physical	Sea level rise and coastal flooding	Flood events that occur due to increase in projected sea surface height, including tidal flooding.	- Capital expenditure to install flood defence measures. - Interrupted business operations and reduced workforce productivity. - Heightened risk of stranded assets.	Implementation of flood mitigation solutions at sites prone to flooding.
Long term: beyond 2040	Transition	Supply chain and resources	Physical impacts cause widespread disruption to production within supply chains.	- Higher construction and procurement costs. - Business disruption causing loss of income.	- Our Environmental Policy encourages responsible business relationships, supply chains and procurement strategies. - We have been engaging our supply chain to gather data that would support low carbon operation and resilience in the supply chain.

Opportunities

We have identified several climate-related opportunities that can be leveraged to provide climate-related performance to stakeholders and customers. In the short and medium term, by investing in renewable technologies, we intend to harness continual improvements in our energy efficiency performance and secure progress towards achieving our carbon neutral goals, enhancing Merlin's reputation, and building resilience. We are committed to investing in climate adaptation measures, to secure the opportunities associated with future-proofing our business to physical climate-related risks, such as ensuring the continued safety of customers and longevity of our attractions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED REPORTING

Impact of identified climate-related risks and opportunities on the business, strategy, and financial planning

The Merlin Board recognises that climate change will have an impact on our business. Therefore, we intend to ensure that our business, strategy and financial planning fully account for climate-related issues.

We have integrated climate-related considerations into our business strategy in several ways. Environmental and sustainability issues relating to building materials, lighting, water and energy efficiency systems are accounted for within our 'New Development Checklist' and 'Sustainability Good Practice Guide' which offer detailed sustainability specifications intended for use across all business lines. These include requirements around renewable energy, energy efficiency and water efficiency minimum standards as examples.

To minimise our impact on the environment, we aim to align all activities with Merlin's business goals through our Environmental Policy, which promotes environmental responsibility, awareness and communication initiatives across the business.

Our energy and carbon strategy includes four core delivery streams that demonstrate our growing aspiration around carbon neutrality:

- **Onsite renewable energy generation** – we completed the construction of a 1.8MWp solar car port at LEGOLAND California Resort and continue to work with partners on the delivery of solar photovoltaic projects at LEGOLAND Windsor Resort (1.2 MWp) and Gardaland Resort (3 MWp). We are exploring solar car port opportunities at Alton Towers Resort, Chessington World of Adventures Resort, Thorpe Park Resort, LEGOLAND Deutschland Resort, Heide Park Resort, LEGOLAND Billund Resort and LEGOLAND Florida Resort.
- **Energy efficiency capital projects** – utilising the 2024 'green capex' fund, we carried out energy efficiency projects with annual savings of 3,924 MWh. We plan to continue to invest in projects, for both carbon reduction and climate adaptation initiatives, using this fund through to 2030 and beyond.

- **Green energy procurement** – we have a contract for green tariffs for all UK sites where Merlin is responsible for energy procurement and at Cadbury World. We also have green tariffs contracts at Heide Park Resort in Germany and SEA LIFE Benalmadena in Spain.
- **Training and carbon awareness** – our 'Good Practice Guide' is available in digital and print formats to all facilities teams and general managers. We run a bi-monthly carbon awareness engagement workshop. These sessions facilitate the exchange of best practices among teams while providing specialised carbon reporting training for designated 'sustainability champions', so they are equipped with the skills to accurately submit consumption data for carbon calculations, ensuring precise and comprehensive carbon tracking across the business.

Sustainability and climate-related issues are considered in our annual financial planning processes, including long term planning for larger sustainability projects. In the event of extreme weather events materialising at sites, short term capital funding is reallocated as required.

Resilience of Merlin's strategy, taking into consideration different climate-related scenarios

From the comprehensive climate risks assessments in the RCP 4.5 and RCP 8.5 scenarios, we have gained a clear understanding of our climate-related risks and opportunities. We have then conducted scenario analysis using these climate scenarios as they span a range of likely emissions scenarios and associated risks and align with leading climate science and best practice. This information is enabling us to identify a variety of mitigation measures to reduce our vulnerability and exposure to climate-related risks, as set out below.

Scenario	Average temperature rise	Transition	An overview of what the operating environment could look like in this scenario	How we secure resilience
Scenario 1: RCP 4.5 – characterised by significant policy action and market forces to decarbonise and meet the Paris Climate Agreement	1.7 – 3.2°C by 2100	Lower emissions scenario where there is increasing policy action to meet the Paris Climate Agreement. Transition risks dominate.	Economic – substantial regulatory and market pressure to decarbonise and associated costs to meet these demands. Environmental – less physical risk, although c.2°C warming still presents substantial physical climate risks.	Implementing our carbon neutrality Scope 1 and 2 strategy, championing policies to drive decarbonisation of heat, and engaging our supply chain to reduce their carbon emissions.
Scenario 2: RCP 8.5 – characterised by significant changes in weather patterns and severe physical hazards	3.2 – 5.4°C by 2100	Higher emissions, business as usual scenario where policy action is negligible and warming rises drastically. Physical risks dominate.	Economic – permanently stunted GDP growth and severe economic and social shifts. Environmental – chronic changes to weather patterns and ecosystems causing severe impacts on a global scale.	Introducing stringent mitigation measures onsite at the most at-risk assets to support climate adaptation and resilience across our portfolio. Carrying out appropriate due diligence on climate risks for acquisitions and to support capital deployment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED REPORTING

RISK MANAGEMENT

Disclose how the organisation identifies, assesses, and manages climate-related risks

Processes for identifying and assessing climate-related risks

As set out above, by adopting a dual-scale approach we have identified and assessed climate-related risks and opportunities for the business and assessed their potential likelihood and impact, relative to each other. The Group risk register is reviewed annually and categorises risks under: Health, safety and security risk; Commercial and strategic risk; Climate risk and Financial risk. It outlines the likelihood (L) and impact (I) score (1-4), residual risk (L x I) and mitigation measures, with scores for climate-related risks determined by the Group Sustainability Director via a formalised methodology set out in our risk management framework, and further reviewed by the Executive Committee.

Processes for managing climate-related risks

We have integrated several risk management procedures into our operations to ensure material risks facing the business are identified, assessed and managed effectively. Two notable procedures are the review of the Group's risk appetite and the management of the Group risk register.

The Group's risk appetite falls into two distinct categories. Firstly, compliance risk, whereby the Group must comply with legislative or regulatory requirements in all territories where the Group operates. Secondly, commercial risk, which is defined as the risks taken to maximise profitable growth and sustainable returns. These must be aligned with the Group's environmental policy.

The Group uses quantitative and qualitative measures to ensure effective governance of the Group's risk appetite. Quantitative measures can broadly be defined as those relating to financial and non-financial targets, including EBITDA and operating profit, whilst qualitative elements are our reputational impact and compliance with laws and regulations.

Our internal control and risk management frameworks are designed to manage risk by setting out clear communication channels, accountabilities and authority levels, formalising responsibilities for overseeing, monitoring and reporting on our material climate risks. The Merlin Board are responsible for reviewing these frameworks annually, alongside strategic planning and business performance monitoring to ensure that our 'top down' and 'bottom up' risk management approach remains robust and effective.

We appreciate that climate-related risks can materialise with little warning and we are therefore committed to adopting an agile approach with response plans in place across our attractions. This enables us to limit damage to assets caused by climate change events. Furthermore, our approach to decarbonise heat using air source heat pumps in new developments will enable us to mitigate numerous climate-related risks, such as the increased cost of carbon taxation.

Overall risk management

By developing a full understanding of the material climate-related risks facing the business, we have embedded processes for identifying, assessing and managing individual climate-related risks within our Group internal control and risk management frameworks. We have created a climate risks section in our corporate risk register containing the risks as set out on pages 21 to 24. The process to review, manage and mitigate these risks remains as described in this disclosure, with input from the sustainability team and oversight by the Executive Committee.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

Metrics used to assess climate-related risks and opportunities in line with Merlin's strategy and risk management processes

ESG metrics are determined by the Merlin Board, which we track and review using a rolling base year approach. Each year we report this data with the previous year adopted as the base year. Metrics include:

- Energy consumption (MWh);
- GHG emissions (tCO₂e/£1 million) of Scope 1 and Scope 2 emissions for our UK and Global (excluding UK) operations; and
- Scope 3 business travel emissions (UK operations only).

We report our GHG emissions under Scope 1 and Scope 2 as set out below. The methodology adopted for calculating CO₂ emissions aligns with the GHG Protocol - Corporate Standard, and the 2019 HM Government Environmental Reporting Guidelines.

We report Scope 3 business travel as required by the UK streamlined Energy and Carbon reporting regulation. We plan to expand Scope 3 emissions reporting to include all material categories and geographies beyond the UK in 2025. This expansion will provide a more comprehensive overview of Merlin's global environmental impact.

Targets used to manage climate-related risks and opportunities and performance against targets

We have set a carbon neutral target by 2030 for Scope 1 and 2 emissions.

In our case, carbon neutrality means that we expect to reduce emissions predominantly by energy efficiency measures, onsite and offsite renewable projects and green electricity procurement, followed by high quality offsets for residual carbon.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

CLIMATE-RELATED REPORTING

Streamlined energy and carbon reporting

The Company is required to report each year on its carbon dioxide emissions, which are set out in the table below. We have followed the UK 2019 HM Government Environmental Reporting Guidelines and the Greenhouse Gas Protocol – Corporate Standard. For location-based electricity emissions factors we have used US – EPA Power Profiler v13.2 2024 and IEA Emission Factors 2024 for the UK, EU and rest of the world. For electricity market-based factors, we have used 2024 Green-e® Residual Mix Emissions Rates for US; AIB – European Residual Mixes 2023 for UK and EU; Australia National Greenhouse Accounts Factors 2024 for Australia; and IEA Emissions Factors 2024 for the rest of the world. We have used UK Government GHG Conversion Factors for Company Reporting 2024 for non-electricity carbon activities. We have chosen the financial control boundary method as this allows us to report on all sources of environmental impact over which Merlin has financial control.

In the period covered by this report, Merlin progressed a series of energy efficiency initiatives such as life support system filtration optimisation, LED lighting optimisation, variable frequency drives and solar photovoltaic across the estate. Together these projects are expected to save 3,924 MWh annually. In this period, in addition to green tariff contracts at Merlin's UK attractions, Heide Park Resort in Germany and SEA LIFE Benalmadena, we purchased renewable energy attributes certificates in China, Italy, Hong Kong, Turkey and Germany. The attributes are backed by Renewable Energy Guarantees of Origin (REGOs), Guarantees of Origin (GoOs) and International Renewable Energy Certificates (iRECs).

Our carbon reporting period for 2024 is from September 2023 to August 2024 (2023: September 2022 to August 2023). The KPI for measuring our carbon emissions trend is carbon emissions per £1 million of revenue. Our reported carbon intensity ratio, that measures the usage of CO₂ equivalent (CO₂e) as compared to revenue, decreased from 48 to 47 gross tCO₂e per £1 million of revenue. This is a 1% carbon intensity decrease (market-based) on the 2023 figure.

Our target is to achieve carbon neutrality in Scope 1 and 2 by 2030.

	2024		2023	
	UK	Global (excluding UK)	UK	Global (excluding UK)
Energy consumption used to calculate emissions (MWh)	114,081	282,385	114,785	285,664
Emissions from combustion of natural gas, oil and LPG in tCO ₂ e (Scope 1)	7,521	11,920	7,496	12,643
Emissions from combustion of fuel for transport purposes in tCO ₂ e (Scope 1)	532	1,220	666	1,476
Emissions from use of CO ₂ for food and beverage purposes in tCO ₂ e (Scope 1)	11	34	11	33
Refrigerant emissions from refrigeration systems in tCO ₂ e (Scope 1)	705	1,735	647	1,539
Emissions from purchased electricity and district heating (Scope 2, location-based)	13,729	74,913	14,399	79,489
Emissions after applying purchased green emissions in tCO ₂ e (Scope 2, market-based)	3,294	70,355	2,200	76,071
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel in tCO ₂ e (Scope 3)	131	Not reported	144	Not reported
Total gross in tCO ₂ e	12,194	85,264	11,164	91,762
Group total in tCO ₂ e	97,458		102,926	
Group revenue (£m)	2,057		2,125	
Intensity ratio: Group gross tCO ₂ e / £1 million revenue	47		48	

Table notes:

- Scope 1 refers to direct emissions (natural gas, LPG, heating oil, refrigerants, diesel, petrol).
- Scope 2 refers to indirect emissions (purchased electricity, purchased heat).
- Under Scope 3 emissions we report UK business travel mileage (a subset of scope 3 category 6 business travel).
- Our annual carbon reduction target is measured based on market-based emissions.
- We are not able to exclude some emissions from outsourced operations in food and beverage, games and photography areas, due to the complexity of determining their share of emissions. We have also not excluded electricity linked to electric vehicle chargers used by guests because this is deemed not material in the reporting period.
- Defra carbon reporting factors 2024 were used for all conversions to MWh based on Gross Calorific Value (CV) (except for business mileage where Net CV was applied; this is less than 0.05% of our overall calculated energy).
- 1MWh is equivalent to 1,000kWh.

SECTION 172 STATEMENT

The Board of Directors of the Company (the Board) recognises its responsibility to maintain high standards of business conduct and consider the impact on all stakeholders when making decisions, including the likely consequences of any decision in the long term. The Company is managed by the Board, which currently comprises representatives of its principal shareholders, an independent Chairman and two independent Non-executive Directors. The same shareholder representative Directors, independent Chairman and independent Non-executive Directors, together with the Group's Chief Executive Officer and Chief Financial Officer, also meet regularly as the Board of Merlin Entertainments Limited (the Merlin Board). For more information on the Boards' responsibilities, see page 38.

The Board has considered the analysis undertaken by the Merlin Board on how it has exercised its duty to promote the success of the Group during the year with regard to the matters set out in section 172 of the Companies Act 2006. After careful consideration, bearing in mind the division of responsibilities for the business of the Group between the Company and the Merlin Board, and while acknowledging the need for the Board to exercise overall management and supervision of the Group and to exercise independent judgement, the Board has adopted a section 172 statement in relation to the Company itself which is consistent with that produced by the Merlin Board. Further information in the Annual Report on how the Merlin Board has exercised its duty to promote the success of Merlin during the year with regard to the matters set out in section 172, including examples of how these duties have been applied, can be found throughout the Annual Report as set out below.

The Board takes its responsibility to understand the views of stakeholders seriously and will continue to consider stakeholder interests in its decision making processes in 2025. See page 41 for more information.

Section 172 duties	Key examples	Page	Key examples	Page
Consequences of decisions in the long term The Board and the Merlin Board approve the Group's strategy which includes long term growth ambitions. Accordingly, the long term consequences for the Company and its stakeholders are always factored into strategic decisions.	Chief Executive's introduction	4 to 5	Environmental, social and governance	25 to 27
	Business model	7	Climate-related reporting	31 to 33
	Financial and operating review	11	Corporate governance	41
	Principal risks	19 to 24		
Employee interests The Board and the Merlin Board recognise that a strong corporate culture which fosters employee engagement and belonging is important to achieving the Company's vision and objectives.	KPIs	1	Principal risks	19 to 24
	Chief Executive's introduction	4	Environmental, social and governance	25 to 27
	Business model	9 to 10	Corporate governance	40 to 41
Fostering business relationships with suppliers, customers and others The Board and the Merlin Board identify guests as key stakeholders and Merlin constantly monitors guest feedback to measure the quality of their experience and drive improvements. The Board and the Merlin Board believe a collaborative approach with suppliers and business partners provides mutually beneficial relationships, enabling engagement on matters that are in both parties' interests.	KPIs	1	Principal risks	22
	Chief Executive's introduction	4 to 5	Environmental, social and governance	25
	Business model	7 to 9	Corporate governance	41
	Financial and operating review	18		
Operational impact on community and environment The Board and the Merlin Board promote an ethical operating culture and high animal welfare standards, and are committed to managing environmental impacts through our sustainability strategy. The Board and the Merlin Board support Merlin's partnership with two charities.	Business model	9	Health, safety and security	28 to 29
	Principal risks	21 to 24	Climate-related reporting	30 to 36
	Environmental, social and governance	25 to 27		
Maintaining a reputation for high standards of business conduct The Board and the Merlin Board ensure that policies and procedures are in place to support the highest standards of business conduct and receives regular reports to monitor compliance. The Merlin Board is involved in the management of issues which may have a material impact on the Company's reputation.	KPIs	1	Environmental, social and governance	25
	Business model	9	Corporate governance	38 to 41, 46
	Principal risks	19 to 24		
Act fairly between owners of the Company The Board and the Merlin Board act in accordance with the terms of the Shareholder Investment Agreement.	Business model	10	Corporate governance	39 to 41

On pages 38 to 41 we set out our corporate governance framework including Board and Committee responsibilities.

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Overview

The Board is committed to maintaining the highest standards of governance across the Group and recognises that a strong corporate governance framework is fundamental to achieving Merlin's strategic objectives.

Merlin's overriding purpose is to bring joy, create connections and make memories and we work with our stakeholders to create truly memorable experiences for guests as well as long term value for our investors. Our corporate governance framework has been developed to safeguard these objectives.



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The Board and the Merlin Board

The Company is managed by its Board of Directors (the Board) which currently comprises representatives of its principal shareholders, an independent Chairman and two independent Non-executive Directors. The Board meets as required by the Shareholder Investment Agreement (see page 10), to govern the Group and consider those matters requiring specific approval by the Company.

The same shareholder representative Directors, independent Chairman, and independent Non-executive Directors, together with the Group's Chief Executive Officer and Chief Financial Officer, meet regularly as the Merlin Board to provide leadership and set the strategy for the Group.

The responsibilities of the Merlin Board are summarised on page 38.

2024 priorities

During 2024 the main areas of focus for the Merlin Board were as follows:

- Strategic plan, portfolio strategy and capital allocation plan.
- Operating model and organisational structure.
- Potential acquisitions and new IP agreements.
- Digital and data transformation strategy.
- Major capital project approvals and oversight of progress with existing projects, such as LEGOLAND Shanghai.
- Development of ESG strategy.
- Refinancing of the Group's long term debt.

Board Committees

The following Committees have been in operation during the year and unless otherwise stated, remain. The responsibilities of the Committees are summarised on page 38 above.

Health, Safety and Security Committee

The Committee membership comprises an independent chair, representatives from each of the investor consortium, two of whom are Board members, and an independent Non-executive Director. Meetings are also attended by the Group's Chief Executive Officer and Chief Financial Officer, together with the Group Safety, Engineering and Security Director and the Chief Operating Officer of the Gateway Attractions and Resort Theme Parks Operating Groups.

Audit Committee

The Committee membership comprises representatives from two members of the investor consortium, one of whom is a Board member with recent and relevant financial experience who chairs the Committee.

Remuneration Committee

The Committee membership comprises the independent Chairman and representatives of each of the investor consortium, all of whom are Board members. The independent Chairman chairs the Committee.

Other Committees

In addition to the Board Committees, there are the following non-Board Committees.

Executive Committee

Chaired by the Chief Executive Officer, the Committee membership comprises all members of the Executive team who report into the Chief Executive Officer. The Committee reports back to the Merlin Board via the Chief Executive Officer.

Capital Investment Committee

During the year the Executive Committee formed the Capital Investment Committee to review initial proposals for capital projects ahead of review by the Executive Committee.

ESG Council

During the year the Executive Committee formed the ESG Council to manage the advancement of our ESG strategy and monitor progress against our ESG goals and reporting requirements.

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Corporate governance framework

During 2024 the Board and the Merlin Board maintained a strong corporate governance framework and they continued to apply the Wates Corporate Governance Principles for Large Private Companies. Details of how the Group approaches these principles are set out below.

Principle One – Purpose and Leadership

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

Merlin's purpose is to bring joy, create connections and make memories. The business is based on strong brands and a global portfolio which is naturally balanced against the impact of external factors. Our purpose is aligned with our vision to be the global leader in branded entertainment destinations. In doing so we follow Merlin values that are set out on page 10.

The Merlin Board continues to review and challenge Merlin's strategy, performance, responsibility, and accountability so that every decision made is of the highest quality, and in line with the Group's culture.

The Group receives feedback from guests and employees via guest satisfaction surveys and employee engagement surveys. Where relevant this feedback is incorporated in Board papers. The business model of the Group is outlined in pages 7 to 10.

Whilst the Board holds overall responsibility for developing and promoting the purpose of the Group, the Merlin Board and the Executive Committee ensure that the values, strategy and culture are embedded globally on their behalf.

The Board Committees and Executive Committee review the effectiveness of key internal policies. For example, the Audit Committee reviews the effectiveness of the Group's whistleblowing and fraud policies across the organisation.

Principle Two – Board Composition

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having enough capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The Board is appointed in accordance with the Shareholder Investment Agreement. Each investor has nominated suitably qualified representatives to sit on the Board and the Merlin Board. The Directors possess a wide range of skills, backgrounds, experience, and knowledge across a broad range of businesses. The composition of the Board is considered appropriate for the size and complexity of the Company and the Chairman regularly elicits feedback from individual Board members on Board effectiveness. In March 2025 an additional, independent Non-executive Director was appointed to the Board to further augment the Board's industry experience. Details of the Board members can be found on pages 41 to 43.

The Audit Committee, Remuneration Committee and Health, Safety and Security Committee have been in operation throughout the year. The Chairman of the Board and the Chair of each Committee is responsible for leading and facilitating constructive meetings. The Chairman of the Board regularly elicits feedback from other Board members on meeting effectiveness and governance.

Careful consideration has been given to the appointment of the Chair of each Committee. The Audit Committee is chaired by an individual with recent and relevant financial experience. The Remuneration Committee is chaired by the independent Chairman. The Health, Safety and Security Committee is chaired by an independent health and safety expert. The responsibilities of the Board and these Committees are outlined on page 38.

By the end of 2024, the Board, Merlin Board and Executive Committee together was comprised of 14 men and four women. Details of the gender mix of the Group and its senior management are set out on page 26.

Principle Three – Directors Responsibilities

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The Board understands its responsibility for promoting the success of the Company for the benefit of shareholders and with consideration of its stakeholders. This is done in a way which is consistent with its ethical, legal, and regulatory responsibilities and the Company's constitution. The Board, the Merlin Board and Committees are bound by a Shareholder Investment Agreement and respective terms of reference which give clear guidance on the matters and key strategic decisions which require Board or Committee approval.

The Merlin Board met ten times during 2024, of which four meetings were conducted in person. The Merlin Board are provided with appropriate board packs in advance of the meetings, including project approval papers and updates on trading, financial performance, employee engagement and welfare, legal matters and management of key business risks.

Key financial information is collated from the Company's accounting systems. The Group's financial information is externally audited, and its controls are reviewed regularly by the Group's internal audit function. The Board delegates the scrutiny of financial information and controls to the Audit Committee. The Merlin Board delegates authority for the day-to-day management of the Company to the Executive Committee, which meets at least eight times each year.

Principle Four – Opportunity and Risk

A board should promote the long term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

Oversight of risk management is performed on an ongoing basis through interaction with management and by risk being a regular item on Merlin Board agendas. Three Committees have specific responsibilities for risk management:

- Health, Safety and Security Committee – oversight and guidance on management of HSS risks. Responsible for ensuring compliance with legislation or industry standards in safeguarding guests, employees, visitors, and contractors.
- Audit Committee – oversight and guidance on financial process risk. Responsible for assessing the effectiveness of the Group's overall approach to risk management and internal control.
- Executive Committee – oversight and guidance on management of commercial and strategic risk.

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The Board retains overall responsibility for risk management and the Merlin Board approves the risk management framework and material risks on a regular basis. Further details regarding the approach to risk management are set out on pages 19 to 24. Long term strategic opportunities are highlighted through the Group's strategic planning processes that the Board oversees. Other opportunities are brought to the attention of the Board when they arise.

Principle Five – Remuneration

A board should promote executive remuneration structures aligned to the long term sustainable success of a company, considering pay and conditions elsewhere in the company.

Remuneration matters during the year together with all matters relating to executive remuneration are considered by the Remuneration Committee and recommended to the Merlin Board for approval, in line with the Committee's terms of reference. Our remuneration policies and principles are aligned with shareholder interests to drive the Group's performance and to support our overall values, purpose and strategy. A series of key principles underpin the Merlin remuneration structure - pay should be based on results and performance, consistent with best practice, and aligned to the long term success of the Group.

During the year the Remuneration Committee ensured awards under management incentive plans for new employees and leavers were managed appropriately. More details are set out in note 5.6 to the financial statements.

Principle Six – Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Board are aware of the importance of fostering effective stakeholder relationships to enable the long term success of the Group. Details of how Merlin engages with stakeholders, including employees, is provided in the section 172 statement on page 37. The Group's business model also focuses on our interactions with customers, employees and investors; more information can be found on pages 7 to 10.

Our Board paper guidance requires all new proposals for major capital projects to include a section on stakeholder engagement, including customers and employees, and how their views have been factored into project plans. Furthermore, Board papers also address the sustainability, accessibility and health and safety aspects of projects. This has improved the quality of Board papers and strengthened stakeholder voices in the Group's development pipeline.

Board membership

The Directors currently serving are the independent Chairman, two Non-executive Directors and the members of the investor consortium, who also have the right to appoint observers to the Board, the Merlin Board and Committees. Each Director from the investor consortium has one vote at the Board and the Merlin Board. The Group's Chief Executive Officer and Chief Financial Officer are executive roles and these positions do not have voting rights at Merlin Board meetings. The members of the Board during the year and at the date of this report are set out below.

Roland Hernandez, Independent Chairman

Roland was appointed as a Director and independent Chairman on 7 April 2020. He is the Founding Principal and Chief Executive Officer of Hernandez Media Ventures, a privately held company engaged in the acquisition and management of media assets. He has served in this capacity since January 2001.

Before founding Hernandez Media Ventures, Roland served as Chairman of Telemundo Group, Inc., a Spanish-language television and entertainment company, from 1998 to 2000 and as President and Chief Executive Officer from 1995 to 2000. He serves as a member of the Boards of US Bancorp, Fox Corporation, and Take-Two Interactive Software, Inc. He serves on the advisory board of Harvard Law School and previously served on the Board of Directors of Belmond Ltd, MGM Resorts International, Sony Corporation, Walmart Inc, and Vail Resorts, Inc.

Roland received an A.B. in economics from Harvard College and a J.D. from Harvard Law School.

Søren Thorup Sørensen, KIRKBI Shareholder Representative

Søren was appointed as a Director on 26 June 2019, having also been a Non-executive Director of Merlin since 2013, prior to Merlin's initial public offering (IPO), representing KIRKBI. Søren has over 25 years' experience in finance and is currently the Chief Executive Officer of KIRKBI A/S and Director of various entities in the KIRKBI Group. Søren chairs the Audit Committee.

Søren is currently Deputy Chairman of LEGO A/S and a Non-executive Director of ISS A/S, Ole Kirk's Foundation, ATTA Foundation, Koldingvej 2, Billund A/S and K2 Fonden af 2023 and four fully owned subsidiaries of KIRKBI A/S. Søren was formerly a Partner, Chief Financial Officer of A.P. Møller – Maersk Group and Managing Partner of KPMG Denmark.

Jørgen Vig Knudstorp, KIRKBI Shareholder Representative

Jørgen was appointed as a Director on 26 June 2019, having previously been a Board observer while Merlin was listed. Jørgen is a Member of the Board of LEGO A/S and was formerly Executive Chair of the LEGO Brand Group during 2017-2023. Jørgen joined the LEGO Group in 2001. He was President and Chief Executive Officer of the LEGO Group between 2004 and 2016.

Jørgen also holds positions as a Member of the Board of Starbucks, a Member of the IMD Supervisory Board, Chairman of BrainPOP and Executive Advisor to the venture fund Innovation Endeavors LLC. He began his career at McKinsey & Company in 1998 and holds an M.Sc. and Ph.D. in Economics Management from Aarhus University in Denmark.

Damir Hamzic, KIRKBI Shareholder Representative

Damir was appointed as a Director on 1 February 2023, having previously been a Board observer. Damir joined KIRKBI A/S in 2018 and is currently Head of Circular Plastics Investments.

Damir is a board member of Shanghai LEGOLAND Co., Ltd. Prior to joining KIRKBI Damir was a Group Vice President at Falck and a Director at Carnegie Investment Bank. He holds an M.Sc. in Finance & Accounting from Copenhagen Business School in Denmark.

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Joseph was appointed as a Director on 4 November 2019. Joseph Baratta is Blackstone's Global Head of Private Equity Strategies and a member of Blackstone's Board of Directors and Management Committee.

Mr. Baratta joined Blackstone in 1998 and in 2001 he moved to London to help establish Blackstone's corporate private equity business in Europe. Since 2012, Mr. Baratta has served as the firm's Global Head of Private Equity and is located in New York.

Mr. Baratta has served on the boards of many past Blackstone portfolio companies and currently serves as a member or observer on the boards of Ancestry, Candle Media, First Eagle Investment Management and Medline. He is also a former member of the Board of Trustees of Georgetown University, is a trustee of the Tate Foundation, and serves on the board of Year Up, an organization focused on youth employment.

Before joining Blackstone, Mr. Baratta was with Tinicum Incorporated and McCown De Leeuw & Company. Mr. Baratta also worked at Morgan Stanley in its mergers and acquisitions department. Mr. Baratta graduated magna cum laude from Georgetown University.

**Peter Wallace, Blackstone Shareholder Representative
(resigned 11 March 2025)**

Peter was appointed as a Director on 26 June 2019. Peter Wallace is the Global Head of Core Private Equity for Blackstone. Mr. Wallace leads Blackstone's private equity investments in the services, leisure, and consumer/retail sectors. He also serves on several of the firm's investment committees.

Since joining Blackstone in 1997, Mr. Wallace has led or been involved in Blackstone's investments in Alight Solutions, AlliedBarton Security Services, Allied Waste, American Axle & Manufacturing, Centennial Communications, Centerplate (formerly Volume Services America), Chamberlain Group, CommNet Cellular, Encore Global, GCA Services, International Data Group, Jersey Mike's, LocusPoint Networks, Merlin Entertainments, Michaels Stores, New Skies Satellites, Pinnacle Foods/Birds Eye Foods, PSSI, SeaWorld Parks & Entertainment (formerly Busch Entertainment Corporation), Servpro, Sirius Satellite Radio, Tropical Smoothie Cafe, Universal Orlando, Vivint, Vivint Solar and the Weather Channel.

He currently serves on the Board of Directors of Chamberlain Group, CoreTrust, Fortrex, International Data Group, Jersey Mike's, Merlin Entertainments, Servpro, and Tropical Smoothie Cafe. He is a trustee of Children's Aid Society, one of America's oldest and largest children's nonprofits.

Mr. Wallace received an A.B. from Harvard College, where he graduated magna cum laude.

Natacha Jamar, Blackstone Shareholder Representative

Natacha Jamar was appointed as a Director on 11 March 2025, having previously been a member of the Audit Committee, Health, Safety and Security Committee and an observer at the Remuneration Committee.

Natacha is a Senior Managing Director in Blackstone's Private Equity Group, based in London, and she is responsible for Blackstone's healthcare private equity investing in Europe. Natacha joined Blackstone in 2009, and has been involved in the execution of a number of Blackstone's investments including in ICS/Pulse, Versace, Armacell, Merlin Entertainments, BME Group and Huws Gray.

Natacha holds an A.B. from Princeton University.

Dushy Sivanithy, CPP Investments Shareholder Representative

Dushy was appointed as a Director on 3 October 2024. Dushy leads the CPP Investments private equity secondaries team, based in London, New York and Toronto, which undertakes a wide range of secondary transactions and liquidity solutions for both GPs and LPs. Dushy also sits on the Private Equity Investment Committee which oversees all of CPP Investments' Private Equity activities.

Prior to joining CPP Investments in 2018, Dushy was Head of Origination for Rede Partners. Prior to that he was an LP for 15 years, primarily with Pantheon, the global private equity Fund of Funds where he sat on the investment committees for Europe and Emerging Markets. He began his career at Morgan Stanley in Investment Banking.

Dushy holds a BSc in Biochemistry from King's College London.

**Ricardo Caupers, CPP Investments Shareholder Representative
(resigned 30 September 2024)**

Ricardo was appointed as a Director on 25 January 2022. Ricardo is responsible for leading investment activities in Europe in the Sustainable Energies portfolio. Previously, he was a Managing Director in the Direct Private Equity group.

Prior to joining CPP Investments in 2020, Ricardo was a Partner at Palamon Capital Partners, where he spent more than ten years focusing on investments in fast-growing European companies. While at Palamon, Ricardo led a number of investments in both consumer and retail as well as business services companies, including Retail Decisions, a B2B payments company, Thomas International, a talent assessment tools provider to small and medium sized businesses, Feelunique, a European online retailer of branded beauty products, and The Rug Company, an international brand of contemporary designer home furnishings. He led the successful sale of Retail Decisions to ACI Worldwide, and Feelunique was eventually exited by Palamon to international beauty retailer Sephora after his departure.

Previously, he worked for The Boston Consulting Group in New York and London from 1999 to 2008, leading strategic advisory projects for Fortune 500 corporates.

Ricardo holds a BA in Business Administration from Universidade Católica Portuguesa and an MBA from Harvard Business School.

GOVERNANCE

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Amy was appointed as Director on 29 November 2023. Formerly the President and Managing Director of Europe for Marriott International responsible for hotel operations and development, Amy has over 30 years' experience in the hospitality industry. Prior to her Europe position, Amy was Executive Vice President of Global Sales and Marketing for Marriott with responsibilities including Marriott Rewards, digital/e-commerce, global sales, worldwide reservations and customer care. Previous Marriott appointments include the role of Senior Vice President of Global Revenue Management and Vice President of Finance and Business Transformation. She is currently a primary investor and consultant for KidsKnowBest, a London based media company.

Amy also serves as Non-Executive Director of PVH Corporation and the Royal Caribbean Group. She holds a Bachelor of Business Administration Degree in Management and Economics from James Madison University, and has an MBA in Finance from the College of William & Mary.

Ron Bension, Non-executive Director

Ron was appointed as Director on 11 March 2025. Ron Bension served as President and Chief Executive Officer of ASM Global since March 2021 through October 2024, when the company was sold to Legends for a sector record of \$2.4 billion. ASM Global is a leading provider of innovative venue services and live experiences with a portfolio of more than 450 venues on five continents including arenas, stadiums, convention and exhibition centers, and performing arts venues.

Prior to joining ASM Global, Mr. Bension was with Live Nation Entertainment, Inc. for ten years serving as President of Venue Nation where he oversaw the operation of 140 clubs, theaters, and amphitheaters around the USA. Before joining Live Nation, Mr. Bension held principal roles as Chief Executive Officer of TicketsNow, Gameworks, LLC and Tickets.com. Mr. Bension also served as Chairman and Chief Executive Officer of Universal Studios Resorts Group from 1990 to 1997, where he oversaw their multi-billion dollar expansion programs in Hollywood, Orlando and Osaka, Japan. He served on the board of Sea World, now United Parks from 2016 to February 2025. He currently serves as a Trustee at Art Center College of Design in Pasadena.

Key members of the Merlin Executive Committee

The key members of the Executive Committee together with the Directors of the Board form the Merlin Board. Details of Merlin's key executives are set out below.

Fiona Eastwood, Chief Executive Officer

Fiona Eastwood was appointed as Chief Executive Officer of Merlin Entertainments in February 2025, having previously been appointed to the role on an interim basis in November 2024 following the resignation of Scott M O'Neil. This follows nearly a decade of experience at the business, including most recently as Chief Operating Officer with responsibility for Gateway Attractions globally, encompassing the existing Gateway estate, new openings and franchise operations, and Merlin's Resort Theme Parks across the UK (Alton Towers Resort, Thorpe Park and Chessington World of Adventures Resort) and Europe (Gardaland Resort in Italy and Heide Park Resort in Germany).

Having joined Merlin in 2015 as Global Marketing Director for Gateway Attractions, Fiona was responsible for driving all aspects of brand strategy and marketing across an expanding global portfolio of brands. Prior to this, she worked as Managing Director of Consumer Products at BBC Studios, leading the successful turnaround of the division through organisational restructuring, digital transformation and international growth. In addition to her responsibilities at Merlin, Fiona plays a leading role in the wider sector, both as a Non-executive Director of UK Hospitality and as a member of the UK Government's Visitor Economy Advisory Council.

She is committed to delivering Merlin's growth strategy, with a particular focus on operational excellence, guest experience and performance.

Fiona also serves as a trustee of Only a Pavement Away, a charity supporting people facing homelessness – along with prison leavers and veterans – get into the hospitality, pub and restaurant industry.

Scott M O'Neil, former Chief Executive Officer

Scott was appointed in November 2022. He resigned as Chief Executive Officer and from the Merlin Board in November 2024.

Karim Hajjar, Chief Financial Officer

Karim was appointed as Chief Financial Officer in February 2024. Karim oversees all aspects of the financial function, including financial management, planning, reporting, analysis, taxation, cash management, treasury, procurement. He plays a key role in strategic financial decision-making, such as capital allocation, investment decisions, budgeting, and risk management. In addition, he oversees mergers and acquisitions, new business development and property.

Karim has over three decades of financial experience, including ten years as Group Financial Officer of publicly listed chemicals Group, Solvay S.A.. During his time Karim was an instrumental member of the leadership team that upgraded the portfolio and spearheaded record financial performance by structurally improving profitability, cash generation and returns, and integrating ESG to ensure the sustainability of performance.

He has also held various senior positions with Shell and Tarmac Group, with expertise in mergers and acquisitions and capital market transactions, cost and cash management. Karim's career commenced at Grant Thornton, where he began as a chartered accountant in London and went on to become one of the firm's youngest partners.

Alistair Windybank, former Chief Financial Officer

Alistair was appointed in November 2020. He resigned as Chief Financial Officer and from the Merlin Board in February 2024.

GOVERNANCE

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements for the 52 week period ended 28 December 2024. Comparative figures relate to the 52 week period ended 30 December 2023.

In order to make our Annual Report and Accounts more accessible, we have set out below where certain required disclosures can be found in other areas of this Annual Report.

Strategic Report

Non-financial and sustainability reporting

The Companies Act 2006 requires the Company to disclose certain non-financial and sustainability information within the Annual Report and Accounts. Information regarding Merlin's approach to climate-related matters and our climate-related financial disclosures conforming to Paragraphs a) to h) of s414CB (A1), (2A) of the Companies Act 2006 are set out in the environmental, social and governance section on pages 25 to 36.

Our disclosures relating to carbon dioxide emissions are set out on page 36.

Further information regarding Merlin's approach to the five non-financial reporting requirements of s414CB(1) of the Companies Act 2006 is set out in the environmental, social and governance section, as follows:

- Employees – see page 26.
- Social matters – see pages 25 to 27.
- Respect for human rights and anti-corruption and anti-bribery matters – see page 25.
- Environmental matters – see page 27.

Other information

Other information is set out as follows:

- Business review and future developments – see pages 1 to 36.
- Research and development – details about Merlin Magic Making are on pages 2 and 7.
- Directors – details of Directors that served during the year and up to the date of this Annual Report are on pages 41 to 43.
- Directors' responsibilities statement – see page 46.

Governance

Wates Principles

The Company has adopted the Wates Corporate Governance Principles for Large Private Companies. Details of the Wates Principles framework can be viewed on the website of the Financial Reporting Council (www.frc.org.uk). Details of how the Group approaches these principles are set out on pages 40 to 41.

Guidelines for Disclosure and Transparency in Private Equity

Each of the consortium members is a private equity or 'private equity-like' investor. Accordingly, this Annual Report and Accounts complies with the Guidelines for Disclosure and Transparency in Private Equity for UK companies in private equity ownership.

Other information

Other information is set out as follows:

- Section 172 statement, including how we foster business relationships with suppliers, customers and others – see page 37.
- Corporate governance – see pages 38 to 43.

Financial statements

The financial statements contain information in the following areas:

- Capitalised interest – see note 2.2.
- Financial instruments – see note 5.3.
- Financial risk management – see note 5.3.
- Share-based payment transactions – see note 5.6.
- Related parties – see note 6.3.
- Subsidiaries and joint ventures – see note 6.7.

Directors' Report

The Directors' Report itself contains the sections detailed below.

Share capital and related matters

The Articles of Association do not contain any restrictions on the transfer of shares in the Company other than customary restrictions applicable where any amount is unpaid on a share (all the issued share capital of the Company as of the date of this Annual Report and Accounts is fully paid). Each ordinary share in the capital of the Company ranks equally in all respects. No shareholder holds shares carrying special rights relating to the control of the Company.

Amendment to the Company's Articles of Association

The Company's Articles of Association may only be amended by a special resolution of its shareholders passed at a general meeting of its shareholders.

Appointment and removal of Directors

The Company is governed by its Articles of Association, the Shareholder Investment Agreement and the Companies Act 2006 and related legislation, with regard to the appointment and replacement of Directors.

Power of Directors in respect of share capital

The Directors may exercise all the powers of the Company (including, subject to obtaining the required authority from the shareholders in general meeting, the power to authorise the issue of new shares and the purchase of the Company's shares).

Directors' indemnities and insurance

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

The Company provided an indemnity in favour of the Directors and other Group company directors during the year. In addition, 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.

Employee engagement

Motion JVco Limited, as a holding company within the Group, has one employee. Employee engagement for any operating subsidiary is integrated into the Group's overall workforce engagement and is not managed separately.

Details of the Company's engagement with its stakeholders are included in the section 172 statement on page 37.

GOVERNANCE

DIRECTORS' REPORT

Significant contracts

There were no contracts of significance during the year to which the Company, or any of its subsidiary undertakings, is a party and in which a Director is or was materially interested.

Branches outside the UK

Motion JVco Limited has no branches outside the UK.

Dividend

No dividends were paid or recommended during the current or prior financial year.

Subsequent events

Subsequent to the year end, the Group completed a debt refinancing exercise as follows:

- Issued \$410 million (£330 million) of new senior secured notes entered into by the Company's subsidiary Motion Finco S.à r.l. to mature in 2032.
- Used the proceeds, net of fees, to repay the \$400 million 5.75% senior secured notes due 2026 entered into by the Company's subsidiary Merlin Entertainments Limited.

Going concern

The Directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

In making this statement the Directors have satisfied themselves that based on its current base case, the Group has access to sufficient cash funds and borrowing facilities and can reasonably expect those facilities to be available to meet the Group's foreseeable cash requirements.

For further details see note 1.1 to the financial statements.

Political donations

No entity in the Group made any political donations, or incurred any political expenditure (each as defined by the Companies Act 2006) in the 52 weeks ended 28 December 2024.

Auditors

As recommended by the Audit Committee, a resolution for the re-appointment of Ernst & Young LLP as auditors to the Company will be proposed. So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all reasonable steps to ascertain any relevant audit information and ensure the auditors are aware of such information.

Approval of Annual Report

The Strategic Report, Corporate Governance Report and the Directors' Report were approved by the Board on 20 March 2025.

For and on behalf of the Board

Søren Thorup Sørensen

Director

20 March 2025

Motion JVco Limited

Registered number 12057312

GOVERNANCE

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the Group and parent Company 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 the Directors have prepared the Group financial statements in accordance with UK adopted international accounting standards and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the parent Company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- state whether applicable UK adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent 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 Group or the parent 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its 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 Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Motion JVco Limited

Opinion

We have audited the financial statements of Motion JVco Limited ('the Company') and its subsidiaries (the Group) for the 52 weeks ended 28 December 2024 (the period) which comprise of the consolidated income statement, the consolidated and Company statement of financial position, consolidated statement of cash flows, the consolidated statement of comprehensive income, the consolidated and Company statement of changes in equity and the related notes, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the Group's and of the Company's affairs as at 28 December 2024 and of the Group's loss for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of 18 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 46, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

To the Members of Motion JVco Limited

In preparing the financial statements, the Directors are responsible for assessing the Group's and 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 the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Company and determined that the most significant which are directly relevant to specific assertions in the financial statements, are those that relate to the reporting framework (UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006, and FRS 101 and the Companies Act 2006), Health and Safety regulations and the relevant tax compliance regulations in the jurisdictions in which the Group operates.
- We understood how Motion JVco Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our reading of Board and other relevant Committee minutes, discussions with the Audit Committee, review of whistleblowing reports and any correspondence received from regulatory bodies.

- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of the users of financial statements.
- Based on this understanding we designed our audit procedures to identify irregularities including fraud. With support from relevant specialists, we performed audit procedures, including testing journal entries and other adjustments for appropriateness, which were designed to provide reasonable assurance the financial statements were free from material fraud or error. Our procedures involved reading of Board minutes and relevant reporting from the Company's legal counsel to identify non-compliance with such laws and regulations, reading reporting to the Audit Committee on compliance with regulations, enquiries of legal counsel, Group management, the Audit Committee, internal audit and subsidiary management at all full-scope components and review of any relevant investigations undertaken.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

Rachel Savage (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

20 March 2025

PRIMARY STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

	Note	2024 £m	2023 £m
Revenue	2.1	2,057	2,125
Cost of sales	2.1	(382)	(388)
Gross profit		1,675	1,737
Staff expenses	2.1	(579)	(559)
Marketing		(100)	(90)
Other operating expenses		(456)	(439)
EBITDA⁽¹⁾	2.1	540	649
Depreciation, amortisation and impairment	2.1	(672)	(477)
Operating (loss)/profit		(132)	172
Finance income	2.2	18	8
Finance costs	2.2	(378)	(394)
Loss before tax		(492)	(214)
Taxation	2.3	64	(3)
Loss for the year⁽²⁾		(428)	(217)

⁽¹⁾ EBITDA – this is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment and is after taking account of attributable profit after tax of jointly controlled entities (see note 6.1). In the consolidated financial statements for the 52 weeks to 30 December 2023 we referred to Adjusted EBITDA. Adjusted EBITDA is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment, share-based payments and is after taking account of attributable profit after tax of jointly controlled entities. The 2023 comparative has therefore been adjusted to reclassify share-based payments of £13 million from depreciation, amortisation, impairment and share-based payments to staff expenses.

⁽²⁾ Loss for the year for 2024 and for 2023 are wholly attributable to the owners of the Company.

PRIMARY STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

	Note	2024 £m	2023 £m
Loss for the year		(428)	(217)
Other comprehensive income			
<i>Items that cannot be reclassified to the consolidated income statement</i>			
Equity investments at FVOCI - net change in fair value	6.1	(6)	-
		(6)	-
<i>Items that may be reclassified to the consolidated income statement</i>			
Exchange differences on the retranslation of net assets of foreign operations		18	(19)
Exchange differences relating to the net investment in foreign operations		(14)	(9)
Cash flow hedges - effective portion of changes in fair value		14	(6)
Cash flow hedges - reclassified to profit and loss		(19)	(15)
Income tax on items relating to components of other comprehensive income	2.3	1	5
		-	(44)
Other comprehensive income for the year net of income tax		(6)	(44)
Total comprehensive income for the year		(434)	(261)
Total comprehensive income attributable to:			
Owners of the Company		(435)	(261)
Non-controlling interest		1	-
Total comprehensive income for the year		(434)	(261)

PRIMARY STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 28 December 2024 (2023: 30 December 2023)

	Note	2024 £m	2023 £m
Property, plant and equipment	4.1	2,388	2,437
Right-of-use assets	5.4	1,558	1,604
Goodwill and intangible assets	4.2	3,377	3,596
Investments	6.1	5	11
Employee benefits	6.2	3	3
Derivative financial assets	5.3	13	18
Other receivables	4.4	18	18
Tax receivable		6	32
Deferred tax assets	2.3	4	5
Non-current assets		7,372	7,724
Inventories	4.4	80	69
Trade and other receivables	4.4	127	177
Derivative financial assets	5.3	3	1
Tax receivable		60	32
Cash and cash equivalents	5.1	119	164
Current assets		389	443
Total assets		7,761	8,167
Interest-bearing loans and borrowings	5.2	63	18
Lease liabilities	5.4	44	42
Derivative financial liabilities	5.3	4	4
Trade and other payables	4.4	431	429
Tax payable		37	40
Provisions	4.5	23	21
Current liabilities		602	554
Interest-bearing loans and borrowings	5.2	3,800	3,694
Lease liabilities	5.4	1,590	1,591
Other payables	4.4	74	89
Provisions	4.5	115	117
Deferred tax liabilities	2.3	273	382
Non-current liabilities		5,852	5,873
Total liabilities		6,454	6,427
Net assets		1,307	1,740
Issued capital and reserves attributable to owners of the Company		1,302	1,736
Non-controlling interest		5	4
Total equity	5.5	1,307	1,740

The financial statements were approved by the Board of Directors on 20 March 2025 and were signed on its behalf by:

Søren Thorup Sørensen
Director

PRIMARY STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

	Note	Share capital £m	Share premium £m	Translation reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Retained earnings £m	Total parent equity £m	Non-controlling interest £m	Total equity £m
At 1 January 2023		29	2,956	(30)	(10)	38	(987)	1,996	4	2,000
Loss for the year		-	-	-	-	-	(217)	(217)	-	(217)
Other comprehensive income for the year net of income tax		-	-	(28)	4	(20)	-	(44)	-	(44)
Total comprehensive income for the year		-	-	(28)	4	(20)	(217)	(261)	-	(261)
Equity-settled share-based payments	5.6	-	-	-	-	-	1	1	-	1
At 30 December 2023		29	2,956	(58)	(6)	18	(1,203)	1,736	4	1,740
Loss for the year		-	-	-	-	-	(428)	(428)	-	(428)
Other comprehensive income for the year net of income tax		-	-	3	-	(4)	(6)	(7)	1	(6)
Total comprehensive income for the year		-	-	3	-	(4)	(434)	(435)	1	(434)
Equity-settled share-based payments	5.6	-	-	-	-	-	1	1	-	1
At 28 December 2024	5.5	29	2,956	(55)	(6)	14	(1,636)	1,302	5	1,307

PRIMARY STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Loss for the year		(428)	(217)
Adjustments for:			
Depreciation, amortisation and impairment ⁽¹⁾	2.1	672	477
Finance income	2.2	(18)	(8)
Finance costs	2.2	378	394
Taxation	2.3	(64)	3
		540	649
Share-based payments ⁽¹⁾		(2)	13
Movements in working capital		44	(42)
Changes in provisions and other non-current liabilities		5	(11)
		587	609
Tax paid		(42)	(55)
Net cash inflow from operating activities		545	554
Cash flows from investing activities			
Interest received		8	8
Acquisition of subsidiaries	3.1	(8)	-
Acquisition of property, plant and equipment	3.1	(31)	-
Purchase of property, plant and equipment		(357)	(298)
Disposal of property, plant and equipment		1	3
Net cash outflow from investing activities		(387)	(287)
Cash flows from financing activities			
Proceeds from borrowings	5.2	1,665	601
Repayment of borrowings	5.2	(1,465)	(581)
Net capital repayment of lease liabilities ⁽²⁾		(46)	(37)
Interest paid		(297)	(326)
Financing costs		(33)	(31)
Net cash outflow from financing activities		(176)	(374)
Net decrease in cash and cash equivalents		(18)	(107)
Cash and cash equivalents at beginning of year	5.1	164	266
Effect of movements in foreign exchange		(27)	5
Cash and cash equivalents at end of year	5.1	119	164

⁽¹⁾ The 2023 comparative has been adjusted to reclassify share-based payments of £13 million from depreciation, amortisation, impairment to share-based payments.

⁽²⁾ In 2023 capital repayments of leases are stated net of £3 million received from the landlord relating to the three UK Resort Theme Park locations (see note 5.4).

NOTES TO THE ACCOUNTS

SECTION I

BASIS OF PREPARATION

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

I.1 BASIS OF PREPARATION

Motion JVco Limited (the Company) is a private company limited by shares which is incorporated in the United Kingdom. Its registered office is Arbor Building, 16th Floor, 255 Blackfriars Road, London, England, SE1 9AX.

The consolidated financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards. The Company prepares its parent Company financial statements in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

This section sets out the Group's material accounting policies that relate to the financial statements as a whole. Where a material accounting policy is specific to one note, the policy is described in the note to which it relates. The accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all subsidiaries and joint ventures.

The Group prepares its annual consolidated financial statements on a 52 or 53 week basis. These consolidated financial statements have been prepared for the 52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023).

These consolidated financial statements refer to EBITDA. EBITDA is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment and is after taking account of attributable profit after tax of jointly controlled entities. The consolidated financial statements for the 52 weeks to 30 December 2023 referred to Adjusted EBITDA, which is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment, share-based payments and is after taking account of attributable profit after tax of jointly controlled entities.

The consolidated financial statements are prepared on the historical cost basis except for derivative financial instruments and certain investments which are measured at their fair value.

The consolidated financial statements are presented in Sterling. All values are stated in £ million (£m) except where otherwise indicated.

Going concern

The Group reported a loss for the year of £428 million (2023: loss of £217 million) and generated operating cash inflows of £545 million (2023: £554 million). The Board has assessed the Group and Company's ability to continue as a going concern to the end of Q3 2026 (being the 'going concern assessment period'). The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the reasons set out below.

Funding

The going concern assessment considers the Group's projected liquidity position and headroom over covenant thresholds from existing committed financing facilities throughout the going concern assessment period.

The Group's sources of financing and its net debt at the reporting date are detailed in notes 5.1 and 5.2. As at 28 December 2024, the Group had a cash balance of £119 million and available undrawn facilities of £398 million relating to the Group's £428 million revolving credit facility (RCF). A financial covenant exists in relation to the RCF, which applies when the RCF is drawn by 40% or more (net of cash and cash equivalents). It requires the Group to maintain adjusted consolidated senior secured leverage below 10x. The Group has complied with all covenants throughout the year.

In February 2025, the Group completed a debt refinancing exercise, issuing \$410 million of new 8.375% senior secured notes to mature in 2032, and using the proceeds to repay \$400 million 5.75% senior secured notes due 2026. Net of fees, this therefore had a broadly neutral impact on net debt.

In line with our forecasts, we have seen cash outflows between the reporting date and the date of approval of the financial statements that reflect the normal seasonality of trading, combined with ongoing capital investment.

Base case

The projections and forecasts prepared for the going concern assessment period to the end of Q3 2026 are derived from the Group's 2025 budget, completed in Q4 2024, and its latest five year plan, as updated for recent developments. This period has been selected as the going concern assessment period to ensure that it includes the likely liquidity low point in the next trading cycle.

Our 'base case' forecast over the going concern assessment period is based on what we believe is a balanced approach. In this base case, we have made certain key assumptions:

- The base case includes the expected positive impact of committed operational efficiencies and enhanced revenue generating initiatives.
- The impact of economic headwinds on guests' disposable incomes has been considered. Data has been utilised derived from forward looking sources and historical trading periods, to consider the potential impact to trading.
- Modelled capital expenditure reflects the Group's latest strategic plans. Expansionary capital expenditure on planned attractions will continue throughout the assessment period, alongside capital expenditure at existing attractions, whilst continuing to ensure the health and safety of our guests and staff.
- The base case specifically excludes any potential acquisitions over the period, or any strategic initiatives yet to be approved by the Merlin Board.
- Over the going concern assessment period, the financial covenant applies should the RCF be drawn by 40% or more. Under the base case, the Group is compliant with the financial covenant throughout the assessment period.

NOTES TO THE ACCOUNTS

SECTION I

BASIS OF PREPARATION CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

I.1 BASIS OF PREPARATION (CONTINUED)

- Interest rates modelled during the assessment period are based on forward market rates, reflect the hedging arrangements in place (see note 5.3), and the Group's updated external debt position following the refinancing in February 2025 (see note 6.6).

The Directors have prepared cash flow forecasts for an 18-month period from the date of approval of these financial statements up to the end of Q3 2026 which indicate that, under the base case, the Group will have sufficient funds to meet its liabilities as they fall due.

In this base case, there would be no breach of lending facilities taking into account the terms of the covenant calculations. Adequate liquidity is maintained through the entire assessment period to Q3 2026. There are no significant restrictions on intra group liquidity transfers as required, and no material capital repayments of debt falling due within the going concern assessment period.

Downside scenarios

The Directors believe the base case scenario above is reasonable and appropriate, with the potential impact of increasing inflationary costs inbuilt.

In addition to the wide range of factors already considered in the base case, the Directors have prepared a downside scenario considering other severe but plausible events that could lead to attraction closures. Examples include events leading to extended attraction closures occurring due to:

- Ride safety incidents;
- Severe weather incidents; and
- Security related incidents including acts of terrorism and/or the impact of the threat of terrorism on consumer behaviours.

The continuing war in Ukraine has been considered but not modelled in the downside scenario. Our trading operations are not directly affected by the war and to date the Group has not seen any significant impact on performance as a direct consequence of the ongoing conflict.

The diversification of the Group's attractions helps minimise the risk of serious business interruption potentially caused by the risks considered in the downside scenario. While not modelled in the downside scenario, there are numerous mitigating actions the Group could take to address both modelled and unmodelled adverse impacts. These mitigating measures are considered to be realistically available to the Group based on historical experience, enabling us to meet our liabilities as they fall due should this situation arise. Within the Group's control, significant cost cutting measures could be implemented across operations and the Group could delay uncommitted capital expenditure.

The Group's strategy includes significant investment in existing attractions, new offerings and strategic initiatives which could be paused or ceased if required. This ability to manage the cost base and rephase or defer capital investment provides reasonable protection to the Group in the face of macro events or uncertainty not in the Group's control. While not in the direct control of the Group, we could also seek to obtain a waiver to financial covenants on its borrowing facilities, renew/replace existing facilities and/or raise further finance through cash injections from the consortium of investors in the Company. Given the Group's history of cash generation and the successful issue of debt securities including during the COVID-19 pandemic, we would expect to be able to raise such funds as required. However, there is no guarantee that such funds will be available.

In the modelled downside scenario, and not taking into account the impact of any mitigation measures, the Group's currently available liquidity would remain positive, albeit reduced, throughout the going concern assessment period. Consistent with the base case, under this scenario there would be no breach of lending facilities considering the terms of the covenant calculations, with leverage remaining within the required limits throughout.

Stress testing has been performed to model scenarios which would cause a liquidity shortfall or covenant breach within the going concern assessment period. These scenarios have been assessed and have been deemed remote. Our assessment indicates that the Group would still have sufficient funds to enable it to operate within its available facilities and settle its liabilities as they fall due through the going concern assessment period.

Conclusion

Considering the Group and Company's statement of financial position, available facilities, cash flow forecasts and the above modelled base case and downside scenarios, financial projections indicate that the Group will have sufficient funds and resources to continue in operational existence, operate within its available facilities and settle its liabilities as they fall due over the going concern assessment period. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated Group and Company financial statements.

NOTES TO THE ACCOUNTS

SECTION I

BASIS OF PREPARATION CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

I.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements comprise the financial statements of Motion JVco Limited and its subsidiaries at the end of each reporting period (see note 6.7) and include its share of its joint ventures' results using the equity method.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns through its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated.

Foreign currency

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, except when deferred in equity as qualifying net investment hedges.

The results and financial position of those Group companies that do not have a Sterling functional currency are translated into Sterling as follows:

- Assets and liabilities are translated at the closing rate at the end of the reporting period.
- Income and expenses are translated at average exchange rates during the period.
- All resulting exchange differences are recognised in equity in the translation reserve.

The reporting date foreign exchange rates by major currency are provided in note 5.3.

Classification of financial instruments issued by the Group

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

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 Group 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 Group'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 Group's obligations are discharged, expire or are cancelled. Finance payments associated with financial liabilities are accounted for as part of finance costs.

An equity instrument is any contract that has a residual interest in the assets of the Group 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. The preference shares issued by the Company carry a fixed, cumulative, preferential dividend which accrues (but is not payable) on each preference share on a daily basis from the date of issue of the relevant preference share. Payment of these dividends is at the discretion of the Company and accordingly they have been classified as equity.

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

Further information on equity instruments issued by the Group is set out in note 5.5.

New standards and interpretations

A full list of new accounting standards and interpretations that have been implemented in the year, including those which have had no significant impact, can be found in note 6.4.

NOTES TO THE ACCOUNTS

SECTION I

BASIS OF PREPARATION CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

I.1 BASIS OF PREPARATION (CONTINUED)

Judgements and estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Management considers the following areas to be the areas that have the most significant effect on the amounts recognised in the financial statements. They are explained in more detail in the related notes.

Judgements

Management considers the following areas to be the judgements that have the most significant effect on the amounts recognised in the financial statements.

- *Useful life of brands (note 4.2)* - where significant brands have been recognised as part of an acquisition, they have been assessed as having indefinite useful lives. Management have considered that this judgement remains appropriate for the 2024 reporting period. Reflecting that consumer trends may change in a constantly evolving market sector, management have considered that it is appropriate to amortise brand values prospectively from 2025 onwards. This will be accounted for as a change in accounting estimate.
- *Lease obligations (note 5.4)* - IFRS 16 'Leases' defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option. Where a lease includes the option for the Group to extend the lease term, the Group makes a judgement at the reporting date as to whether it is reasonably certain that the option will be taken.

Estimates

The preparation of the Group's consolidated financial statements also includes the use of estimates and assumptions. Management considers the following to be the area which includes the use of estimates and assumptions and which could have a significant risk of a material change to the carrying value of assets and liabilities within the next year:

- *Valuation of assets and impairment (note 4.3)*
 - i) the estimation of future cash flows together with the discount rates adopted when calculating the value in use of assets;
 - ii) the estimation of multiples that are applied to EBITDA when calculating the fair value less cost to sell of assets.

The consolidated financial statements also include other areas of judgement and accounting estimates. Management considers the following to be areas where the recognition and measurement of certain assets and liabilities are based on assumptions and/or are subject to longer term uncertainties, but that do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements:

- *Taxation (note 2.3)* - recognition of deferred tax balances and accounting for tax risks.
- *Provisions (note 4.5)* - estimated outflow to settle the obligations and, where relevant, the appropriate discount and inflation rates to apply.
- *Interest-bearing loans and borrowings (note 5.2)* - expected period of borrowings when calculating the effective interest rate on those borrowings.
- *Share-based payments (note 5.6)*
 - i) the implied enterprise value of Motion Topco Limited was calculated as at the reporting date in order to calculate share-based payment valuations for the three schemes. The valuation was performed using the Monte Carlo option pricing model, the inputs to which involve estimation uncertainty. These inputs are set out in the note. Future valuation fluctuations could materially impact share-based payment expenses recognised in subsequent periods.
 - ii) using the Group's five year business plan and considering ongoing future strategies of both the Group and the Group's shareholders, the most likely vesting period for each scheme has been estimated. The maximum length of award is expected to be seven years from the reporting date.

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.1 LOSS BEFORE TAX

Segmental information

An operating segment, as defined by IFRS 8 'Operating segments', is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Group is managed through its three Operating Groups, which form the operating segments on which the information shown below is prepared. The Group determines and presents operating segments based on the information that is provided internally to the Chief Executive Officer (CEO), who is the Group's chief operating decision maker, and the Board. An operating segment's operating results are reviewed regularly by the CEO to make decisions about resources to be allocated to the segment and assess its performance.

	Gateway Attractions £m	LEGOLAND Parks £m	Resort Theme Parks £m	Segment results £m	Other items ⁽³⁾ £m	Total £m
2024						
Visitor revenue	731	621	352	1,704	-	1,704
Accommodation revenue	3	212	71	286	-	286
Other revenue	17	36	6	59	8	67
Revenue⁽¹⁾	751	869	429	2,049	8	2,057
EBITDA⁽²⁾	242	268	119	629	(89)	540
Depreciation and amortisation (note 4.1, 4.2, 5.4)	(135)	(95)	(51)	(281)	(7)	(288)
Impairment (note 4.1, 4.2, 5.4)	(217)	(145)	(22)	(384)	-	(384)
Operating profit/(loss) ⁽²⁾	(110)	28	46	(36)	(96)	(132)
2023						
Visitor revenue	729	653	366	1,748	-	1,748
Accommodation revenue	-	219	78	297	-	297
Other revenue	19	42	9	70	10	80
Revenue⁽¹⁾	748	914	453	2,115	10	2,125
EBITDA⁽²⁾	283	307	143	733	(84)	649
Depreciation and amortisation (note 4.1, 4.2, 5.4)	(122)	(86)	(53)	(261)	(6)	(267)
Impairment (note 4.1, 5.4)	(15)	(195)	-	(210)	-	(210)
Operating profit/(loss) ⁽²⁾	146	26	90	262	(90)	172

⁽¹⁾ Revenue is disaggregated into the three categories described below.

⁽²⁾ Performance is measured based on segment EBITDA, as included in internal management reports. EBITDA is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment and is after taking account of attributable profit after tax of jointly controlled entities. In the consolidated financial statements for the 52 weeks to 30 December 2023 we referred to Adjusted EBITDA. Adjusted EBITDA is defined as profit before finance income and costs, taxation, depreciation, amortisation and impairment, share-based payments and is after taking account of attributable profit after tax of jointly controlled entities. Segment operating profit is included for information purposes.

⁽³⁾ Other items include Merlin Magic Making, head office costs and various other costs, which cannot be directly attributed to the reportable segments.

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.1 LOSS BEFORE TAX (CONTINUED)

Geographical information

While each Operating Group is managed on a worldwide basis, part of our strategy is to diversify geographically across the four regions shown below. The information presented is based on the geographical locations of the visitor attractions concerned.

	Revenues 2024 £m	Non-current assets 2024 £m	Revenues 2023 £m	Non-current assets 2023 £m
United Kingdom	631	2,919	648	3,041
Continental Europe	510	1,632	519	1,680
North America	627	2,130	671	2,125
Asia Pacific	289	660	287	809
	2,057	7,341	2,125	7,655
Investments (note 6.1)		5		11
Employee benefits (note 6.2)		3		3
Derivative financial assets		13		18
Tax receivable		6		32
Deferred tax (note 2.3)		4		5
		7,372		7,724

Revenue

Revenue represents the amounts received (excluding VAT and similar taxes) in the areas set out below and which have been disaggregated in the segmental information presented above. When accounting for revenue, an assessment is made, considering the control principles of IFRS 15 'Revenue from Contracts with Customers', as to whether parties involved in providing goods or services to a customer are acting as a principal (if they control delivery to the customer) or, if they are arranging for those goods or services to be provided by the other party, as an agent. Where Merlin has outsourced the delivery of the service, for example such as in food and beverage operations, the Group accounts for these as an agent.

- **Visitor revenue** - represents admissions tickets, retail, food and beverage sales and other commercial offerings such as photos and games experiences inside an attraction. Tickets and other services can be bought in advance, generally online, in which case they are held in deferred revenue and recognised when the visitor uses those tickets or services, or the validity period expires. Revenue from annual passes and other tickets that entitle a customer to continued visits over a period of time is deferred and then recognised over the period that the pass is valid. Retail and food and beverage revenue, along with other similar commercial offerings, is recognised at point of sale.
- **Accommodation revenue** - represents overnight stay and conference room revenue along with food and beverage revenue earned within our hotels and other accommodation offerings. Accommodation revenue is recognised at the time when a customer stays at the accommodation.
- **Other revenue** - represents sponsorship, function, management and development contract revenue along with other sundry items. Sponsorship revenue is recognised over the relevant contract term. Function revenue is recognised at the time of the event. Management contract revenue is recognised as it is earned. Where the Group enters into contracts for attraction development, revenue is recognised over time as performance obligations under the contracts are met. Where the Group sells LEGO models to third party development partners, for example in connection with the development of LEGOLAND resorts in China, revenue is recognised at delivery, at the time when control over those models passes to the customer.

Cost of sales

Cost of sales of £382 million (2023: £388 million) represents variable expenses (excluding VAT and similar taxes) incurred from revenue generating activities. Retail inventory, food and beverage consumables and costs associated with the delivery of accommodation are the principal expenses included within this category.

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.1 LOSS BEFORE TAX (CONTINUED)

Operating expenses

Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2024	2023
Operations	20,075	19,937
Attraction management and central administration	2,028	1,820
	22,103	21,757

The aggregate payroll costs of these persons were as follows:

	2024 £m	2023 £m
Wages and salaries	503	474
Social security costs	63	56
Other pension costs	15	16
	581	546
Long term incentive plan	17	-
Share-based payments (note 5.6)	(19)	13
	579	559

During the period a long term incentive plan was added to the existing Management Incentive Plan (MIP) for certain senior management, due to the change in expected value of the MIP at maturity. This has resulted in £17 million of charge being recorded, offset by a reversal of £19 million of share-based payment charges.

Directors' remuneration

The remuneration of the Directors of the Board was as follows:

	2024 £m	2023 £m
Directors' remuneration	0.4	0.3

In addition to the above, credits relating to share-based payments totalled £0.3 million (2023: charges of £0.3 million) due to the change in expected value of the MIP at maturity (see note 5.6). There were no Company pension contributions payable.

Directors' remuneration above also represents the remuneration of the highest paid Director.

Related party transactions with key management personnel

The remuneration of key management, comprising the Directors of the Board and the members of the Executive Committee, was as follows:

	2024 £m	2023 £m
Key management emoluments including social security costs	8.7	7.2
Contributions to money purchase pension schemes	0.1	0.1
	8.8	7.3

In addition to the above, credits relating to share-based payments totalled £9.2 million (2023: charges of £7.8 million) due to the change in expected value of the MIP at maturity (see note 5.6). The charge in relation to the long term incentive plan was £6.2 million.

NOTES TO THE ACCOUNTS

SECTION 2
RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.1 LOSS BEFORE TAX (CONTINUED)

Auditor's remuneration

	2024 £m	2023 £m
Audit of these financial statements	2.4	2.4
Audit of financial statements of subsidiaries	0.4	0.6
Other assurance services	0.9	0.6
	3.7	3.6

In 2024 and 2023 fees included within other assurance services related to the debt refinancings undertaken in those years.

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.2 FINANCE INCOME AND COSTS

Accounting policies

Income and costs

Finance income comprises interest income from financial assets and investments, applicable foreign exchange gains and gains on hedging instruments that are recognised in the income statement. Finance costs comprise interest expense, finance charges on finance leases, applicable foreign exchange losses and losses on hedging instruments that are recognised in the income statement. Interest income and interest expense are recognised as they accrue, using the effective interest method.

Capitalisation of borrowing costs

Where assets take a substantial time to complete, the Group capitalises borrowing costs directly attributable to the acquisition, construction or production of those assets.

Finance income

	2024 £m	2023 £m
Interest income	10	8
Gain in respect of debt refinancing ⁽¹⁾	8	-
	18	8

⁽¹⁾ As a result of the debt refinancing in the year, the Group has recognised one-off gains reflecting amended terms that adjusted the carrying value of the modified Euro and US Dollar term debt.

Finance costs

	2024 £m	2023 £m
Interest expense on lease liabilities	82	79
Interest expense on financial liabilities measured at amortised cost	275	262
Other interest expense	4	6
Net foreign exchange loss	17	11
	378	358
Charges in respect of debt refinancing ⁽²⁾	-	36
	378	394

⁽²⁾ As a result of the debt refinancing in the prior year, the Group recognised a one off charge reflecting amended terms that adjusted the carrying value of modified debt. Charges incurred upon debt extinguishment were also recognised, including early debt repayment fees and the accelerated amortisation of previous debt issuance costs.

Capitalised borrowing costs amounted to £7 million in 2024 (2023: £5 million), with a capitalisation rate of 7.0% (2023: 7.3%). Tax relief on capitalised borrowing costs amounted to £2 million in 2024 (2023: £1 million).

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.3 TAXATION

Accounting policies

The tax charge for the year is recognised in the income statement and the statement of comprehensive income, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax.

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

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.

Subject to the exceptions noted above, deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. This assessment is made after considering a number of factors, including the Group's future trading expectations.

Provisions for uncertain tax positions are recognised when the Group has a present obligation as a result of a past event and management judge that it is probable that there will be a future outflow of economic benefits to settle that obligation. Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that we operate using management's estimate of the most likely outcome. A combination of in-house tax experts, previous experience and professional firms is used when assessing uncertain tax positions.

Recognised in the income statement

	2024 £m	2023 £m
<i>Current tax</i>		
Current year	39	46
Adjustment for prior periods	(2)	3
Total current income tax	37	49
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(95)	(63)
Changes in tax rate	-	(3)
Adjustment for prior periods	(6)	20
Total deferred tax	(101)	(46)
Total tax (credit)/expense in income statement	(64)	3

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.3 TAXATION (CONTINUED)

Reconciliation of effective tax rate

	2024 %	2024 £m	2023 %	2023 £m
Loss before tax		(492)		(214)
Income tax using the UK domestic corporation tax rate	25.0%	(123)	23.5%	(50)
Effect of tax rates in foreign jurisdictions		3		5
Non-deductible expenses		1		4
Movement in uncertain tax provisions		4		(4)
Income not subject to tax		-		(1)
Effect of changes in tax rate		-		(3)
Unrecognised temporary differences		59		29
Adjustment for prior periods		(8)		23
Total tax (credit)/expense in income statement	13.1%	(64)	(1.5%)	3

The reported effective tax rate (ETR) is 13.1%. The difference between this and the UK standard tax rate of 25% is primarily attributable to the derecognition and non-recognition of deferred tax assets as a result of impairment charges. Other factors included the derecognition of tax losses in certain jurisdictions, the effect of tax rates in foreign jurisdictions and movements in uncertain tax positions.

In 2023 the reported effective tax rate (ETR) was (1.5%). The difference between this and the UK standard tax rate of 23.5% was primarily attributable to the non-recognition of losses in relation to impairment charges in South Korea and the correction of an error in prior periods in respect of the tax treatment of certain German long term leases where the local tax base had not been correctly identified. Management concluded that this was not qualitatively material for adjusting as a prior year restatement and therefore recognised the charge fully within 2023.

Significant factors impacting the Group's future ETR include the Group's geographic mix of profits, the timing of recognition of unrecognised deferred tax assets and changes to local or international tax laws. Unrecognised deferred tax assets include tax losses and interest carried forward in various jurisdictions which may be recognised in future periods as the relevant business becomes profitable.

In April 2019 the European Commission (EC) announced its final decision that certain elements of the UK's Controlled Foreign Company rules partially represent State Aid and in February 2021, the Group received charging notices from HMRC for £28 million, which have been paid. In September 2024 the Court of Justice of the European Union annulled the EC's decision and set aside the earlier judgement of the General Court which had confirmed that decision. The UK Government has subsequently brought forward legislation to repay the Aid previously recovered from the Group. The legislation came into force on 31 December 2024. At year end the payments are held as a receivable in current assets.

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates and is effective for the Group's 2024 financial year.

The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment is based on the most recent tax filings, country-by-country reporting, and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply. Based on the 2024 financial results, the Group has calculated an immaterial top up income tax charge under the Pillar Two rules. The Group applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two, as provided in the amendments to IAS 12 issued in May 2023.

Recognised through the statement of other comprehensive income

	2024 £m	2023 £m
Effective portion of changes in fair value of cash flow hedges	(1)	(5)
Total tax credit in statement of other comprehensive income	(1)	(5)

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.3 TAXATION (CONTINUED)

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Property, plant and equipment	17	54	(197)	(249)	(180)	(195)
Right-of-use assets	13	-	(205)	(190)	(192)	(190)
Lease liabilities	161	141	(11)	-	150	141
Other short term temporary differences	38	39	(14)	(15)	24	24
Corporate interest restriction	129	128	-	-	129	128
Intangible assets	7	7	(297)	(347)	(290)	(340)
Tax value of loss carry-forwards	90	55	-	-	90	55
Tax assets/(liabilities)	455	424	(724)	(801)	(269)	(377)
Set-off tax	(451)	(419)	451	419	-	-
Net tax assets/(liabilities)	4	5	(273)	(382)	(269)	(377)

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

Set-off tax is separately presented to show deferred tax assets and liabilities by category before the effect of offsetting these amounts in the statement of financial position where the Group has the right and intention to offset these amounts.

Movement in deferred tax during the current year

	31 December 2023 £m	Recognised in income £m	Recognised in other comprehensive income £m	Effect of movements in foreign exchange £m	28 December 2024 £m
Property, plant and equipment	(195)	12	-	3	(180)
Right-of-use assets	(190)	(8)	-	6	(192)
Lease liabilities	141	13	-	(4)	150
Other short term temporary differences	24	-	1	(1)	24
Corporate interest restriction	128	1	-	-	129
Intangible assets	(340)	48	-	2	(290)
Tax value of loss carry-forwards	55	35	-	-	90
Net tax assets/(liabilities)	(377)	101	1	6	(269)

In 2024 movements recognised in income were principally due to impairment charges and losses incurred in certain territories.

NOTES TO THE ACCOUNTS

SECTION 2

RESULTS FOR THE YEAR CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

2.3 TAXATION (CONTINUED)

Movement in deferred tax during the previous year

	1 January 2023 £m	Recognised in income £m	Recognised in other comprehensive income £m	Effect of movements in foreign exchange £m	30 December 2023 £m
Property, plant and equipment	(220)	18	-	7	(195)
Right-of-use assets	(200)	10	-	-	(190)
Lease liabilities	168	(29)	-	2	141
Other short term temporary differences	37	(16)	5	(2)	24
Corporate interest restriction	72	57	-	(1)	128
Intangible assets	(344)	2	-	2	(340)
Tax value of loss carry-forwards	52	4	-	(1)	55
Net tax assets/(liabilities)	(435)	46	5	7	(377)

In 2023 movements recognised in income were principally due to impairment charges and interest restrictions imposed by certain territories. These movements were partially offset by prior year adjustments in respect of leases as described above.

Unrecognised deferred tax assets

	Gross amount 2024 £m	Tax effected 2024 £m	Gross amount 2023 £m	Tax effected 2023 £m
Property, plant and equipment	149	39	84	17
Right-of-use assets / lease liabilities	36	10	58	17
Other short term temporary differences	55	15	96	22
Corporate interest restriction	115	30	-	-
Intangible assets	-	-	1	-
Tax value of loss carry-forwards	238	71	410	91
Net unrecognised tax assets	593	165	649	147

The unrecognised deferred tax assets relating to loss carry-forwards include £23 million (2023: £21 million) expiring in 0-5 years and £19 million (2023: £22 million) expiring in 6-15 years. The gross amounts are £89 million and £63 million respectively. The remaining losses and other timing differences do not expire under current tax legislation.

The nature and location of the tax losses carried forward are such that there is currently no expectation that the majority of the losses will be utilised.

NOTES TO THE ACCOUNTS

SECTION 3

BUSINESS COMBINATIONS

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

3.1 BUSINESS COMBINATIONS

Accounting policies

When a business combination takes place, the Directors consider the rights and intentions of the directors of both entities and the overall controlling parties before and after acquisition to determine who the acquiring party is, and then account for business combinations by applying the purchase method. Having determined the acquiring party, any individually identifiable assets, liabilities and contingent liabilities acquired are valued. These include the property, plant and equipment and any intangible assets which can be sold separately or which arise from legal rights regardless of whether those rights are separable, with any remaining balance being assigned to goodwill.

2024

Cadbury World

In December 2022 the Group took over the operations of the Cadbury World attraction in the UK. Consideration of £8 million was recognised, which was subject to the performance of the attraction and was paid in 2024.

Orlando Wheel

During 2024 the Group acquired the Orlando Wheel at ICON Park in Florida for £31 million. This has been accounted for as a single identifiable asset under the concentration test guidance set out in IFRS 3 (see note 4.1).

2023

The Group undertook no business combinations during 2023.

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS AND LIABILITIES

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.1 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses.

Where components of an item of PPE have different useful lives, they are accounted for separately.

The initial cost of PPE includes all costs incurred in bringing the asset into use and includes external costs for the acquisition, construction and commissioning of the asset, internal project costs (primarily staff expenses) and capitalised borrowing costs.

Assets acquired through business combinations

At the time of a business combination PPE is separately recognised and valued. Given the specialised nature of the PPE acquired, fair values are calculated on a depreciated replacement cost basis. The key estimates are the replacement cost, where industry specific indices are used to restate original historic cost, and depreciation, where the total and remaining economic useful lives are considered, together with the residual value of each asset. The total estimated lives applied are consistent with those set out below. Residual values are based on industry specific indices. Freehold land is valued using a market approach.

New sites

Capital expenditure on new attractions includes all the costs of bringing the items of PPE within that attraction into use ready for the opening of the attraction. Pre-opening costs are only capitalised to the extent they are required to bring PPE into its working condition. Other pre-opening costs are expensed as incurred.

Existing sites

Subsequent expenditure on items of PPE in our existing estate can be broadly split into two categories:

- Capital expenditure which adds new items of PPE to an attraction, or which extends the operational life, or enhances existing items of PPE is accounted for as an addition to PPE. Examples of such expenditure include new rides or displays and enhancements to rides or displays, which increase the appeal of our attractions to visitors.
- Expenditure which is incurred to maintain the items of PPE in a safe and useable state and to maintain the useful life of items of PPE is charged to the income statement as incurred. Examples of such expenditure include regular servicing and maintenance of buildings, rides and displays and ongoing repairs to items of PPE.

Government grants

Government grants are recognised when there is reasonable assurance that the Group has complied with the relevant conditions within the agreement and that the grant will be received. For each grant, the Group assesses whether it relates to either capital or operational expenditure incurred. The Group has elected to deduct grants related to capital expenditure from the total project costs within property, plant and equipment and amortise them systematically over the useful life of the assets.

Depreciation

Land is not depreciated. Assets under construction are not depreciated until they come into use, when they are transferred to buildings or plant and equipment as appropriate. Depreciation is then charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of PPE. Asset lives for plant and equipment vary depending on the nature of the asset, from short life assets such as IT assets, up to long term infrastructure assets. No residual values are typically considered.

The estimated useful lives are as follows:

Asset class	Depreciation policy
Freehold/long leasehold buildings	50 years
Leasehold buildings	20 – 50 years (dependent on life of lease)
Plant and equipment	5 – 30 years

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.1 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Property, plant and equipment**

	Land and buildings £m	Plant and equipment £m	Under construction £m	Total £m
<i>Cost</i>				
At 1 January 2023	1,930	1,281	124	3,335
Additions	1	20	256	277
Disposals	(1)	(20)	-	(21)
Transfers	69	92	(161)	-
Transfers to other intangible assets (note 4.2) and right-of-use assets (note 5.4)	-	(6)	(5)	(11)
Effect of movements in foreign exchange	(83)	(53)	(4)	(140)
Balance at 30 December 2023	1,916	1,314	210	3,440
Acquisitions of property, plant and equipment (note 3.1)	-	31	-	31
Additions	19	36	320	375
Disposals	(2)	(2)	-	(4)
Transfers	127	157	(284)	-
Transfers to right-of-use assets (note 5.4)	(12)	-	-	(12)
Effect of movements in foreign exchange	(38)	(30)	(1)	(69)
Balance at 28 December 2024	2,010	1,506	245	3,761
<i>Depreciation</i>				
At 1 January 2023	279	392	-	671
Depreciation for the year	71	115	-	186
Impairment	157	42	-	199
Disposals	-	(18)	-	(18)
Transfers	(4)	4	-	-
Transfers to other intangible assets (note 4.2)	-	(4)	-	(4)
Effect of movements in foreign exchange	(14)	(17)	-	(31)
Balance at 30 December 2023	489	514	-	1,003
Depreciation for the year	77	128	-	205
Impairment	118	69	-	187
Disposals	(2)	(1)	-	(3)
Transfers	3	(3)	-	-
Transfers to right-of-use assets (note 5.4)	(6)	-	-	(6)
Effect of movements in foreign exchange	(2)	(11)	-	(13)
Balance at 28 December 2024	677	696	-	1,373
<i>Carrying amounts</i>				
At 31 December 2022	1,651	889	124	2,664
At 30 December 2023	1,427	800	210	2,437
At 28 December 2024	1,333	810	245	2,388

NOTES TO THE ACCOUNTS

SECTION 4
OPERATING ASSETS
AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.1 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During each year the Group reviews useful economic lives and tests PPE for impairment in accordance with the Group's accounting policy, as referred to in note 4.3. Impairment charges have been made in the year of £187 million (2023: £199 million). Of this £110 million is in respect of LEGOLAND New York Resort, £35 million in respect of LEGOLAND Korea Resort, with the remaining £42 million in respect of certain of the Group's Gateway attractions.

Capital commitments

At the year end the Group had a number of outstanding capital commitments in respect of capital expenditure at its existing attractions (including accommodation), as well as for new attractions that are under construction. These commitments are expected to be settled within two financial years of the reporting date. These amount to £104 million (2023: £135 million) for which no provision has been made.

4.2 GOODWILL AND INTANGIBLE ASSETS

Accounting policies

Goodwill represents the difference between the cost of an acquisition and the fair value of the identifiable net assets acquired less any contingent liabilities assumed. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to groups of cash-generating units and is not amortised but is tested annually for impairment. In respect of joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the joint venture.

Where they arise on acquisition, brands are valued using the excess earnings method. All the significant brands acquired are assessed as having indefinite useful economic lives. This assessment is based upon the historical performance of the brands over a number of economic cycles, the ability to roll out the brands, and the Directors' intentions regarding the future use of brands. The Directors feel this is a suitable policy for a brands business which invests in and maintains the brands. The brands are tested annually for impairment. Other brands are amortised over a period of fifteen years.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense when incurred.

Other intangible assets comprise software licences deemed to be controlled by the Group, sponsorship rights and other contract or relationship based intangible assets. They are amortised on a straight-line basis from the date they are available for use. They are stated at cost less accumulated amortisation and impairment losses.

The estimated useful lives of other intangible assets are as follows:

Asset class	Estimated useful life
Licences	Life of licence (up to 15 years)
Other intangible assets	Relevant contractual period (up to 30 years)

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS

AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.2 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)**Goodwill and intangible assets**

	Goodwill £m	Intangible assets		Total £m
		Brands £m	Other £m	
Cost				
At 1 January 2023	2,623	1,321	33	3,977
Additions	-	-	8	8
Disposals	-	-	(1)	(1)
Transfer from property, plant and equipment (note 4.1)	-	-	6	6
Effect of movements in foreign exchange	(98)	(4)	(1)	(103)
Balance at 30 December 2023	2,525	1,317	45	3,887
Additions	-	-	2	2
Effect of movements in foreign exchange	(17)	(9)	-	(26)
Balance at 28 December 2024	2,508	1,308	47	3,863
Amortisation				
At 1 January 2023	277	2	13	292
Amortisation for the year	-	-	8	8
Disposals	-	-	(1)	(1)
Transfer from property, plant and equipment (note 4.1)	-	-	4	4
Effects of movements in foreign exchange	(11)	-	(1)	(12)
Balance at 30 December 2023	266	2	23	291
Amortisation for the year	-	1	4	5
Impairment	-	191	-	191
Effect of movements in foreign exchange	(1)	-	-	(1)
Balance at 28 December 2024	265	194	27	486
Carrying amounts				
At 31 December 2022	2,346	1,319	20	3,685
At 30 December 2023	2,259	1,315	22	3,596
At 28 December 2024	2,243	1,114	20	3,377

Intangible assets are tested for impairment in accordance with the Group's accounting policy, as referred to in note 4.3. As a result of these tests, impairment charges have been made in the year of £191 million (2023: £nil), in respect of certain brands, the most significant being £163 million in respect of the Madame Tussauds brand.

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.2 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Goodwill

Goodwill is allocated to the Group's operating segments which represent the lowest level at which it is monitored and tested for impairment. It is denominated in the relevant local currencies and therefore the carrying value is subject to movements in foreign exchange rates.

	2024 £m	2023 £m
Gateway Attractions	349	353
LEGOLAND Parks	1,769	1,777
Resort Theme Parks	125	129
	2,243	2,259

Brands

The Group has valued the following brands at the time of those brands being acquired. Certain brands are denominated in their relevant local currencies and therefore the carrying value is subject to movements in foreign exchange rates.

	2024 £m	2023 £m
Gateway Attractions		
Madame Tussauds	265	428
SEA LIFE	205	205
London Eye	213	213
Dungeons	92	92
Warwick Castle	14	18
Other	3	6
	792	962
Resort Theme Parks		
Gardaland Resort	164	172
Alton Towers Resort	92	92
Thorpe Park Resort	8	30
Heide Park Resort	30	31
Chessington World of Adventures Resort	28	28
	322	353
	1,114	1,315

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.3 IMPAIRMENT TESTING

Accounting policies

The carrying amount of the Group's goodwill and brands, which have indefinite lives, are tested for impairment on an annual basis. Intangible assets, PPE and right-of-use (ROU) assets are reviewed in each reporting period to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated.

The process of impairment testing is to estimate the recoverable amount of the assets concerned and recognise an impairment loss whenever the carrying amount of those assets exceeds the recoverable amount. Impairment testing is performed first at the individual cash-generating unit (CGU) level without goodwill, with any impairment loss recognised as required. Impairment testing for goodwill is then applied to the collection of CGUs to which the goodwill relates.

The level at which the assets concerned are reviewed varies as follows:

Asset	
Goodwill	Goodwill is reviewed at an Operating Group level, being the relevant grouping of CGUs at which the benefit of such goodwill arises. A CGU is the smallest identifiable group of assets that generates largely independent cash inflows, being the Group's individual attractions.
Brands	Brands are reviewed at an individual CGU level.
PPE	PPE is reviewed at an individual CGU level, being the Group's individual attractions or cluster of attractions where they share management.
ROU assets	ROU assets are reviewed at an individual CGU level, being the Group's individual attractions.

For assets that are in continuing use but do not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the assets belong.

Impairment losses are recognised in the income statement. They are allocated first to reduce the carrying amount of goodwill, and then to reduce the carrying amount of other intangible assets and other assets on a pro rata basis.

At each reporting date the Group reviews assets that have previously been impaired to consider whether previous impairments should be reversed. This review considers external factors (such as whether discount rates have decreased which could increase the value in use), and internal sources of information that capture the extent to which performance is improving and whether that improvement is considered temporary or permanent.

Calculation of recoverable amount

In accordance with accounting standards the recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

Value in use

To assess value in use, estimated future cash flows have been discounted to their present value using pre-tax discount rates, each appropriate to the Operating Group concerned. The Group's five year business plan, where the first year is based on latest budgets, is used as the basis for these calculations, with cash flows of the fifth year business plan period then extrapolated using long term growth rates.

The key assumptions and estimates used when calculating the net present value of future cash flows from the Group's businesses are as follows:

Estimate	
Future cash flows	Assumed to be equivalent to the operating cash flows of the businesses less the cash flows in respect of capital expenditure and repayments of lease liabilities. The Group uses EBITDA less cash non-recurring charges and an allocation of central costs, in line with other recharges which occur in the business, as a proxy for the operating cash flows of its attractions, as they are not significantly impacted by movements in working capital.
Growth in EBITDA	EBITDA is forecast by an analysis of both projected revenues and costs. Visitor numbers and revenue projections are based on a number of factors. This includes market analysis, including the total available market, historic trends, and competition. It also includes capital expenditure on rides and attractions, and other activities such as marketing and other revenue generating initiatives together with committed cost efficiency programmes. Projections of operating costs are based on historical and projected inflation data, adjusted for variations in visitor numbers and planned expansion of site activities as well as general market conditions.
Timing and quantum of future capital and maintenance expenditure	Projections are based on the attractions' long term development plans, taking into account the capital investment necessary to maintain and sustain the performance of the attractions' assets.

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SECTION 4

OPERATING ASSETS

AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.3 IMPAIRMENT TESTING (CONTINUED)

Estimate					
Long term growth rate	A growth rate of 2.5% (2023: 2.5%) was determined based on management’s long term expectations, taking account of historical averages and future expected trends in both market development and market share growth.				
Discount rates to reflect the risks involved	Based on the estimated weighted average cost of capital of a ‘market participant’ within the main geographical regions where the Group operates, these are drawn from market data and businesses in similar sectors, and adjusted for asset specific risks. The key assumptions of the ‘market participant’ include the ratio of debt to equity financing, risk free rates and the medium term risks associated with equity investments. Average figures are used where appropriate to reduce the impact of any short term volatility. Net present values are calculated using pre-tax discount rates derived from this post-tax weighted average cost of capital.				
		Pre-tax discount rates		Post-tax discount rates	
		2024	2023	2024	2023
	Gateway Attractions	11.6%	11.5%	9.3%	9.1%
	LEGOLAND Parks	11.1%	11.2%	8.9%	8.9%
	Resort Theme Parks	11.4%	11.5%	9.3%	9.4%

Fair value less cost to sell

To assess fair value less cost to sell, unless there are specific factors at certain locations that require a different approach, we adopt a market-based approach. This is mainly based on multiples applied to EBITDA that has been normalised to exclude non-recurring items over a trading lifecycle of seven years to remove the impact of short term trading volatility during the COVID-19 pandemic. This approach uses level 3 inputs that are not based on observable market data. Multiples applied to EBITDA are in the range of 10 to 13.5. The fair value less cost to sell approach has been applied to the Group's goodwill for Gateway Attractions and LEGOLAND Parks, along with the brands of Madame Tussauds and Dungeons.

For certain locations where there is insufficient trading history to determine a clear expectancy of future performance we sourced independent valuations from third party specialists. This approach uses level 3 inputs that are not based on observable market data. We have taken this approach in the period for the valuation of the recently opened LEGOLAND Korea resort.

Impairment charges

Impairment charges totalling £384 million have been made in the period as follows:

- £191 million in respect of certain of Merlin's brands, the most significant being £163 million in respect of the Madame Tussauds brand. This reflects the impact over recent periods of challenging trading conditions, notably in the UK and China, and has been valued at fair value less cost to sell with a recoverable amount of £265 million. The recoverable amount of £25 million for the other brands that have been impaired has predominantly been determined on a value in use basis.
- £110 million in respect of LEGOLAND New York which has been valued on a value in use basis, and £35 million in respect of LEGOLAND Korea which has been valued at fair value less cost to sell by a third party specialist. Both of these recently opened LEGOLAND resorts will now take longer than the five year business plan period to reach operating maturity. These sites have an aggregate recoverable amount of £148 million.
- £48 million in respect of certain of the Group's Gateway attractions, taking into account more challenging trading conditions and our anticipation of slower economic recovery in the medium term at those locations, resulting in a £nil recoverable amount.

In 2023 impairment charges were made in the year of £199 million in property, plant and equipment and £11 million in right-of-use assets. £195 million was in respect of LEGOLAND New York and LEGOLAND Korea, and £15 million in respect of certain of the Group's Gateway attractions, taking into account reviews of the market and economic conditions at those locations.

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.3 IMPAIRMENT TESTING (CONTINUED)

Sensitivity analysis

Impairment reviews are often sensitive to changes in key assumptions. Sensitivity analysis has therefore been performed on the calculated recoverable amounts considering incremental changes in the key assumptions.

In undertaking sensitivity analysis consideration has been given to movements in forecast EBITDA, increases in discount rates and decreases in multiples applied to EBITDA:

- For assets tested on a value in use basis:
 - the Directors consider that the forecasts used reflect the best estimate of future trading. It is noted, however, that the calculations are inherently sensitive to the level of growth which can depend on a number of factors. While in the short term slower growth would be highly unlikely to affect valuations by a substantial amount, longer term shortfalls that affect the outlook for the fifth year of the plan (which drives the terminal value) would have a more significant impact.
 - discount rates have been derived from market data. As these rates are intended to be long term in nature they are expected to be reasonably stable in the short term, however market discount rates could increase in future.
- For assets tested on a fair value less cost to sell basis the multiples used are level 3 inputs that are not based on observable market data within the range of 10 to 13.5. These multiples could be subject to change depending on latest estimates.

Assets subject to impairment charges in the year

The Madame Tussauds brand had an impairment charge of £163 million (2023: £nil). If the multiple used was 0.5 lower there would be an incremental impairment charge of £20 million.

The Thorpe Park brand had an impairment charge of £22 million (2023: £nil). If the relevant forecasted cash flows were 5% lower than currently anticipated there would be an incremental impairment charge of £11 million. If the pre-tax discount rate used in the value in use calculations of 11.4% had been 60 basis points higher/lower the Group would have recognised an incremental/reduced impairment charge of £4 million.

LEGOLAND New York had an impairment charge of £110 million (2023: £128 million). If the relevant forecasted cash flows were 5% lower than currently anticipated there would be an incremental impairment charge against PPE of £12 million. If the pre-tax discount rate used in the value in use calculations of 11.0% had been 60 basis points higher the Group would have recognised an incremental impairment charge against PPE of £11 million. If the pre-tax discount rate had been 60 basis points lower the impairment charge would have been £13 million lower.

Assets with limited headroom at the reporting date

The estimated recoverable amounts of the Gateway Attractions, LEGOLAND Parks and Resort Theme Parks Operating Groups exceed their carrying values by £61 million, £542 million and £27 million respectively.

If the assumptions used in the impairment review were changed to a greater extent than as detailed below, the changes would, in isolation, lead to an impairment loss being recognised for the 52 weeks ended 28 December 2024.

Gateway Attractions (GW)

- If the multiple used was 0.5 lower, goodwill headroom would be absorbed in full.

LEGOLAND Parks (LLP)

- If the multiple used was 2.5 lower, goodwill headroom would be absorbed in full.

Resort Theme Parks (RTP)

- If EBITDA for RTP as a whole was forecast to be 2% lower than currently anticipated for 2029 (the perpetuity year), goodwill headroom would be absorbed in full.
- If the pre-tax discount rate used across RTP had been 20 basis points higher at 11.6%, headroom would have been absorbed in full. The rate used in the impairment testing decreased by 10 basis points between 2023 and 2024.
- If EBITDA for one specific brand within RTP was forecast to be 1% lower than currently anticipated for 2029 (the perpetuity year), headroom would be absorbed in full. If the pre-tax discount rate used had been 10 basis points higher at 11.4%, headroom would have been absorbed in full.

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS

AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.4 WORKING CAPITAL

Accounting policies

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is measured using the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. In a business combination the goods for resale held by the acquired Group are 'stepped-up' to a value that takes into account an estimation of the level of future sales proceeds to be generated by the acquiring Group, less estimated costs necessary to sell the inventory.

Trade and other receivables

Trade and other receivables are recognised and carried at the original invoice amount less a loss allowance calculated using the simplified expected credit loss (ECL) model approach. Trade receivables are written off when there is no reasonable expectation of recovery. Other receivables are stated at their amortised cost less any impairment losses. Estimated ECLs are calculated using both actual credit loss experience and forward looking projections.

Inventories

	2024 £m	2023 £m
Maintenance inventory	20	17
Work in progress	13	6
Goods for resale	47	46
	80	69

Trade and other receivables

	Current assets		Non-current assets	
	2024 £m	2023 £m	2024 £m	2023 £m
Trade receivables	30	40	-	-
Other receivables	52	84	1	1
Prepayments	30	34	1	1
Contract assets	15	19	16	16
	127	177	18	18

Ageing of trade receivables

The ageing analysis of trade receivables, net of allowance for non-recoverable amounts, is as follows:

	2024 £m	2023 £m
Neither past due nor impaired	22	27
Up to 30 days overdue	6	6
Between 30 and 60 days overdue	2	1
Between 60 and 90 days overdue	-	1
Over 90 days overdue	-	5
	30	40

Information about the Group's exposure to credit risk is included in note 5.3.

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS

AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.4 WORKING CAPITAL (CONTINUED)

Trade and other payables

	Current liabilities		Non-current liabilities	
	2024	2023	2024	2023
	£m	£m	£m	£m
Trade payables	79	60	-	-
Accruals	146	151	-	-
Deferred income	172	176	31	41
Other payables	34	42	43	48
	431	429	74	89

Accruals

Accruals comprise balances in relation to both operating and capital costs incurred at the reporting date for which an invoice has not been received and full payment has not yet been made.

Deferred income

Deferred income comprises revenues received or invoiced at the reporting date which relate to future periods. The main components of deferred income relate to advanced ticket revenues in respect of online bookings and annual pass purchases; pre-booked accommodation; and certain sponsorship and similar arrangements.

At year end exchange rates, this also includes £43 million (2023: £49 million) received in respect of funding and infrastructure support for the development of LEGOLAND Korea. Further details are provided in note 6.3.

£118 million of the deferred income at 30 December 2023 was recognised in revenue in 2024 (2023: £117 million of £194 million at 31 December 2022 recognised in 2023).

Other payables

Non-current other payables includes £28 million in respect of share-based payment transactions and other long term incentive plans (2023: £31 million). Further details are provided in note 5.6.

NOTES TO THE ACCOUNTS

SECTION 4

OPERATING ASSETS AND LIABILITIES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

4.5 PROVISIONS

Accounting policy

Provisions are recognised when the Group has legal or constructive obligations as a result of past events and it is probable that expenditure will be required to settle those obligations. They are measured at the Group's best estimates, after taking account of information available and different possible outcomes.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions

	Asset retirement provisions £m	Other £m	Total £m
Balance at 31 December 2023	92	46	138
Provisions made during the year	3	21	24
Utilised during the year	(1)	(11)	(12)
Unused amounts reversed	(10)	(2)	(12)
Unwinding of discount	3	-	3
Effect of movements in foreign exchange	(3)	-	(3)
Balance at 28 December 2024	84	54	138
2024			
Current	-	23	23
Non-current	84	31	115
	84	54	138
2023			
Current	-	21	21
Non-current	92	25	117
	92	46	138

Asset retirement provisions

Certain attractions operate on leasehold sites and these provisions relate to the anticipated costs of removing assets and restoring the sites concerned at the end of the lease term. These leases are typically of a duration of between 10 and 60 years.

They are established on inception and reviewed annually. The provisions are discounted back to present value with the discount then being unwound through the income statement as part of finance costs. The cost of establishing these provisions together with the impact of any changes in the discount rate is capitalised within the cost of the related asset.

Other

Other provisions include future regulatory payments in connection with the modification of the UK Resort Theme Parks leases and agreements that were entered into to secure their tenure until 2077 (see note 5.4) that may become payable at the start of the additional 35 year period in 2042. Remaining balances relate to the estimated cost arising from open insurance claims, tax matters and legal issues.

There are no anticipated future events that would be expected to cause a material change in the timing or amount of outflows associated with the provisions.

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SECTION 5

CAPITAL STRUCTURE AND FINANCING

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.1 NET DEBT

Analysis of net debt

Net debt is the total amount of cash and cash equivalents less interest-bearing loans and borrowings and lease liabilities. Cash and cash equivalents comprise cash balances, call deposits and other short term liquid investments such as money market funds which are subject to an insignificant risk of a change in value.

	31 December 2023 £m	Net cash flows ⁽¹⁾ £m	Non-cash movements ⁽²⁾ £m	Effect of movements in foreign exchange ⁽³⁾ £m	28 December 2024 £m
Cash and cash equivalents	164	(18)	-	(27)	119
Interest-bearing loans and borrowings	(3,712)	60	(274)	63	(3,863)
Lease liabilities	(1,633)	116	(146)	29	(1,634)
Net debt	(5,181)	158	(420)	65	(5,378)

	1 January 2023 £m	Net cash flows ⁽¹⁾ £m	Non-cash movements ⁽²⁾ £m	Effect of movements in foreign exchange ⁽³⁾ £m	30 December 2023 £m
Cash and cash equivalents	266	(107)	-	5	164
Interest-bearing loans and borrowings	(3,807)	269	(307)	133	(3,712)
Lease liabilities	(1,612)	105	(162)	36	(1,633)
Net debt	(5,153)	267	(469)	174	(5,181)

⁽¹⁾ Net cash flows include the drawdown and repayment of loans and borrowings, interest paid relating to loans and borrowings and interest paid and capital repayments relating to leases.

⁽²⁾ Non-cash movements include the finance costs relating to loans and borrowings and leases from the income statement, together with lease additions and disposals.

⁽³⁾ A substantial proportion of the Group's net debt is denominated in non Sterling currencies.

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CAPITAL STRUCTURE AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.2 INTEREST-BEARING LOANS AND BORROWINGS

Accounting policy

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 Group's estimate of the expected life based on repayment subsequently changes, 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 'Financial Instruments'.

Interest-bearing loans and borrowings

	Current liabilities		Non-current liabilities		Total	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
£428 million (2023: £400 million) floating rate revolving credit facility due 2029 (2023: 2026)	-	-	-	-	-	-
Floating rate bank facilities due 2026	-	10	-	1,432	-	1,442
Floating rate bank facilities due 2029	11	-	1,890	711	1,901	711
\$400 million fixed rate notes due 2026	-	-	322	321	322	321
€700 million fixed rate notes due 2030	-	-	572	598	572	598
\$500 million fixed rate notes due 2031	-	-	391	-	391	-
€370 million fixed rate notes due 2027	-	-	303	316	303	316
\$410 million fixed rate notes due 2027	-	-	322	316	322	316
Interest payable	52	8	-	-	52	8
	63	18	3,800	3,694	3,863	3,712

At 28 December 2024, the Group's senior facilities are the following:

Senior secured debt

- €1,020 million and \$1,378 million drawn facilities to mature in November 2029 entered into by the Company's subsidiary Motion Finco S.à r.l.
- The margins on these facilities are dependent on the Group's adjusted leverage ratio and at 28 December 2024 were at a margin of 3.75% for EUR borrowings (2023: 3.0% for the €575 million borrowings; 4.0% for the €821 million borrowings) and 3.5% (2023: 3.25%) for USD borrowings over the floating interest rates when drawn. The relevant floating interest rates are Term SOFR, which was 4.60% at 28 December 2024 (5.61% at 30 December 2023), and EURIBOR, which was 3.35% at 28 December 2024 (3.93% at 30 December 2023).
- \$400 million 5.75% senior secured notes due 2026 entered into by the Company's subsidiary Merlin Entertainments Limited. The notes are listed on The International Stock Exchange.
- €700 million of 7.375% senior secured notes due 2030 entered into by the Company's subsidiary Motion Finco S.à r.l. The notes are listed on The International Stock Exchange.
- \$500 million of 7.375% senior secured notes due 2031 entered into by the Company's subsidiary Merlin Entertainments Group US Holdings Inc. The notes are listed on The International Stock Exchange.
- A £428 million revolving credit facility to mature in May 2029. £30 million was utilised by way of establishing certain ancillary facilities, including letters of credit. The relevant floating rate used for the facility is Sterling Overnight Index Average (SONIA).

Other senior debt

- €370 million 4.5% senior notes due 2027 and \$410 million 6.625% senior notes due 2027 entered into by the Company's subsidiary Motion Bondco DAC. The notes are listed on The International Stock Exchange.

The terms of the floating rate debt facility require a repayment of 0.25% of the outstanding principal amount of the USD borrowings every three months. £5 million was repaid in 2024 (2023: £10 million).

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CAPITAL STRUCTURE

AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.2 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

In February 2024, the Group completed a debt refinancing as follows:

- Issued \$500 million (£396 million) of new senior secured notes to mature in 2031.
- Extended \$1,220 million (£967 million) of drawn floating rate facilities due to mature in 2026 to 2029, increasing the size to \$1,385 million (£1,098 million).
- Extended €215 million of drawn floating rate facilities due to mature in 2026 to 2029.
- Used some of the proceeds to repay €376m (£322 million) of drawn floating rate facilities due to mature in 2026 and 2029, decreasing the size to €1,020 million.

The refinancing secured net cash proceeds after fees of £172 million. The Group's revolving credit facility was also increased from £400 million to £428 million with an extension to the maturity to 2029.

Subsequent to the year end, in February 2025, the Group completed a debt refinancing as follows:

- Issued \$410 million (£330 million) of new senior secured notes entered into by the Company's subsidiary Motion Finco S.à r.l. to mature in 2032.
- Used the proceeds, net of fees, to repay the \$400 million 5.75% senior secured notes due 2026 entered into by the Company's subsidiary Merlin Entertainments Limited.

Covenants

The financial covenant in relation to the Group's £428 million revolving credit facility is only required when it is drawn by 40% or more (net of cash and cash equivalents). The covenant requires the Group to maintain the consolidated senior secured debt ratio below 10:1.

The Group complied with the financial covenants in the year. The Group is also required to comply with certain non-financial covenants in these bank facilities and notes, and these requirements were satisfied throughout the year.

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CAPITAL STRUCTURE AND FINANCING

CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.3 FINANCIAL RISK MANAGEMENT**Liquidity risk**

Liquidity risk is the risk that the Group would not have sufficient funds to meet its financial obligations as they fall due. The Group's Treasury department produces short term and long term cash forecasts to identify liquidity requirements and headroom, which are reviewed by the Group's Chief Financial Officer. Surplus cash is actively managed across Group bank accounts to cover local shortfalls or invested in bank deposits or other short term liquid investments such as money market funds. In some countries bank cash pooling arrangements are in place to optimise the use of cash. As at 28 December 2024 the Group had £119 million of cash and cash equivalents (2023: £164 million) and access to a £428 million revolving credit facility, of which £30 million was utilised in 2024 (2023: £30 million) by way of establishing certain ancillary facilities, including letters of credit, in order to meet its obligations and commitments that will fall due.

The following table sets out the contractual maturities of financial liabilities, including interest payments. This analysis assumes that interest rates prevailing at the reporting date remain constant.

	0 to <1 year £m	1 to <2 years £m	2 to <5 years £m	5 to <10 years £m	10 to <20 years £m	20 years and over £m	Contractual cash flows £m
2024							
Floating rate bank facilities due 2029	(161)	(161)	(2,412)	-	-	-	(2,734)
\$400 million fixed rate notes due 2026	(19)	(327)	-	-	-	-	(346)
€700 million fixed rate notes due 2030	(43)	(43)	(131)	(602)	-	-	(819)
\$500 million fixed rate notes due 2031	(30)	(30)	(89)	(442)	-	-	(591)
€370 million fixed rate notes due 2027	(14)	(14)	(320)	-	-	-	(348)
\$410 million fixed rate notes due 2027	(22)	(22)	(348)	-	-	-	(392)
Lease liabilities	(115)	(113)	(334)	(495)	(830)	(2,592)	(4,479)
Derivatives	13	18	5	-	-	-	36
Trade payables	(79)	-	-	-	-	-	(79)
	(470)	(692)	(3,629)	(1,539)	(830)	(2,592)	(9,752)
2023							
Floating rate bank facilities due 2026	(98)	(130)	(1,601)	-	-	-	(1,829)
Floating rate bank facilities due 2029	(43)	(57)	(186)	(762)	-	-	(1,048)
\$400 million fixed rate notes due 2026	(18)	(19)	(323)	-	-	-	(360)
€700 million fixed rate notes due 2030	(46)	(45)	(136)	(675)	-	-	(902)
€370 million fixed rate notes due 2027	(15)	(14)	(350)	-	-	-	(379)
\$410 million fixed rate notes due 2027	(22)	(22)	(365)	-	-	-	(409)
Lease liabilities	(112)	(109)	(325)	(493)	(848)	(2,642)	(4,529)
Derivatives	16	22	28	-	-	-	66
Trade payables	(60)	-	-	-	-	-	(60)
	(398)	(374)	(3,258)	(1,930)	(848)	(2,642)	(9,450)

Interest rate risk

The Group is exposed to interest rate risk on both interest-bearing assets and liabilities. The Group has a policy of actively managing its interest rate risk exposure using a combination of fixed rate debt, interest rate swaps, and interest rate caps.

At 28 December 2024 the Group had £1,929 million of fixed rate debt comprising:

- \$400 million of 5.75% notes to mature in 2026;
- €700 million of 7.375% notes to mature in 2030;
- \$500 million of 7.375% notes to mature in 2031;
- €370 million of 4.5% notes to mature in 2027; and
- \$410 million of 6.625% notes to mature in 2027.

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CAPITAL STRUCTURE AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

If required, to achieve the desired balance of fixed and floating interest rates across currencies, the Group may use floating to fixed interest rate swaps and caps (which are part of cash flow hedging relationships) and fixed to floating interest rate swaps and caps (which are part of fair value hedging relationships).

In 2022, the Group entered into hedging arrangements on \$600 million of floating rate USD debt to swap the floating interest rate to a fixed rate and on €700 million of floating rate EUR debt to cap the floating interest rate to a capped rate on the drawn floating rate facilities. In June 2024 the Group entered into a further \$300 million of interest rate swaps, hedging USD floating rate debt from 2026 to 2028, at an average fixed rate of c.3.77%.

In aggregate, at the end of the reporting period, 77% (2023: 72%) of the Group's interest-bearing loans and borrowings is at a fixed/capped rate. The weighted average duration of the Group's interest-bearing loans and borrowings is 4 years (2023: 4 years). At 28 December 2024 the fair value of interest rate derivative assets was £13 million (2023: £18 million). These interest rate derivatives are designated as cash flow hedges.

Interest rate swaps and caps are recognised at fair value which is determined by reference to market rates. The fair value is the estimated amount that the Group would receive or pay to exit the instrument, taking into account current interest rates, credit risks and bid/ask spreads. Following initial recognition, changes in fair value are recognised immediately in profit or loss, except where the Group adopts hedge accounting.

When hedge accounting, the Group formally documents the relationship between the hedging instruments and hedged items. It makes an assessment, at inception and on an ongoing basis, as to whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items during the life of the hedge.

Changes in the fair value of interest rate swaps that are designated and qualify as cash flow hedges are recognised in other comprehensive income and presented in the cash flow hedge reserve in equity. Any ineffective portion of changes in fair value is recognised immediately in profit or loss. Cumulative gains and losses would remain in equity until either the hedged transaction is no longer expected to occur, or until the hedged transaction occurs, at which point they will be reclassified to profit or loss.

Fair value changes in interest rate caps attributable to changes in the intrinsic value are accumulated in the cash flow hedge reserve, and reclassified from the cash flow hedge reserve to the income statement as a reclassification adjustment in the same period or periods during which the hedged future cash flows affect profit or loss. Changes in the time value of interest rate caps are accumulated in the cost of hedging reserve and recycled to the income statement on a systematic basis over the life of the instrument.

Sensitivity analysis

Based on the net debt position as at 28 December 2024 a 100 basis points rise in market interest rates would result in an increase in net interest paid of £8 million (2023: £9 million) and a 100 basis points fall in market interest rates would result in a decrease in net interest paid of £8 million (2023: £9 million). This has been calculated by applying the interest rate change to the Group's variable rate cash, borrowings and derivatives.

Foreign currency risk

As the Group operates internationally, the performance of the business is sensitive to movements in foreign exchange rates. The Group's potential currency exposures comprise transaction and translation exposures. The Group ensures that its net exposure to foreign currency balances is kept to a minimal level by using foreign currency swaps to exchange balances back into Sterling or by buying and selling foreign currencies at spot rates when necessary. The fair value of foreign exchange contracts is the present value of future cash flows and is determined by reference to market rates. At 28 December 2024 the fair value of foreign currency swap assets was £3 million (2023: £1 million) and of foreign currency swap liabilities was £4 million (2023: £4 million), none of which are hedge accounted.

Transaction exposures

The revenue and costs of the Group's operations are denominated primarily in the currencies of the relevant local territories. Any significant cross-border trading exposures would be hedged by the use of forward foreign exchange contracts.

Translation exposures

The Group's results, as presented in Sterling, are subject to fluctuations as a result of exchange rate movements. The Group does not hedge this translation exposure to its earnings but, where material, may carry out net asset hedging by borrowing in the same currencies as the currencies of its operating units or by using forward foreign exchange contracts. The Group's debt facilities (excluding lease liabilities) are therefore denominated in Euros, US Dollars and Sterling and at 28 December 2024 the amounts drawn consisted of €2,090 million and \$2,688 million. There are forward foreign exchange contracts in place in respect of JPY 15,765 million (2023: JPY 16,365 million).

Gains or losses arise on the retranslation of the net assets of foreign operations at different reporting dates and are recognised within the consolidated statement of comprehensive income. They will predominantly relate to the retranslation of opening net assets at closing foreign exchange rates, together with the retranslation of retained foreign profits for the year (that have been accounted for in the consolidated income statement at average rates) at closing rates. Exchange rates for major currencies are set out below.

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5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Gains or losses also arise on the retranslation of foreign currency denominated borrowings designated as effective net investment hedges of overseas net assets. These are offset in equity by corresponding gains or losses arising on the retranslation of the related hedged foreign currency net assets. The Group also treats specific intercompany loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment. In the event of a foreign entity being sold or a hedging item being extinguished, such exchange differences would be recognised in the income statement as part of the gain or loss on sale.

The following exchange rates have been used in the translation of the results of foreign operations:

	Closing rate for 2022	Weighted average rate for 2023	Closing rate for 2023	Weighted average rate for 2024	Closing rate for 2024
US Dollar	1.21	1.24	1.27	1.28	1.26
Euro	1.13	1.15	1.15	1.18	1.21

The Sterling equivalents of financial assets and liabilities denominated in foreign currencies were:

	Carrying value				
	Sterling £m	Euro £m	US Dollar £m	Other £m	Total £m
2024					
Cash and cash equivalents	6	21	43	49	119
Floating rate bank facilities due 2029	7	(838)	(1,070)	-	(1,901)
\$400 million fixed rate notes due 2026	-	-	(322)	-	(322)
€700 million fixed rate notes due 2030	-	(572)	-	-	(572)
\$500 million fixed rate notes due 2031	-	-	(391)	-	(391)
€370 million fixed rate notes due 2027	-	(303)	-	-	(303)
\$410 million fixed rate notes due 2027	-	-	(322)	-	(322)
Lease liabilities	(1,074)	(281)	(86)	(193)	(1,634)
	(1,061)	(1,973)	(2,148)	(144)	(5,326)
2023					
Cash and cash equivalents	23	21	66	54	164
Floating rate bank facilities due 2026	4	(498)	(948)	-	(1,442)
Floating rate bank facilities due 2029	-	(711)	-	-	(711)
\$400 million fixed rate notes due 2026	-	-	(321)	-	(321)
€700 million fixed rate notes due 2030	-	(598)	-	-	(598)
€370 million fixed rate notes due 2027	-	(316)	-	-	(316)
\$410 million fixed rate notes due 2027	-	-	(316)	-	(316)
Lease liabilities	(1,042)	(290)	(82)	(219)	(1,633)
	(1,015)	(2,392)	(1,601)	(165)	(5,173)

Sensitivity analysis on foreign currency risk

A 10% strengthening of all currencies against Sterling would increase net debt by £355 million (2023: £373 million). As described above, gains or losses in the income statement and equity are offset by the retranslation of the related foreign currency net assets or specific intercompany loan balances.

A 10% strengthening of all currencies against Sterling would reduce the fair value of foreign exchange contracts and result in a charge to the income statement of £24 million (2023: £16 million).

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52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is limited to the carrying value of the Group's monetary assets. The Group has limited credit risk with its customers, the vast majority of whom pay in advance or at the time of their visit. There are credit policies in place with regard to its trade receivables with credit evaluations performed on customers requiring credit over a certain amount.

The Group manages credit exposures in connection with financing and treasury activities including exposures arising from bank deposits, cash held at banks and derivative transactions, by appraisal, formal approval and ongoing monitoring of the credit position of counterparties. Counterparty exposures are measured against a formal transaction limit appropriate to that counterparty's credit position. The Group robustly appraises investments before they are made to ensure the associated credit risk is acceptable. Performance of investments are closely monitored, in some cases through Board participation, to ensure returns are in line with expectations and credit risk remains acceptable. There were no overdue amounts in respect of investments and no impairments have been recorded (2023: £nil).

Fair values

Fair value hierarchy

The Group analyses financial instruments in the following ways:

- Level 1: uses unadjusted quoted prices in active markets.
- Level 2: uses inputs that are derived directly or indirectly from observable prices (other than quoted prices).
- Level 3: uses inputs that are not based on observable market data.

Fair value versus carrying amounts

The fair values of financial assets and liabilities are presented in the table below, together with the carrying amounts shown in the statement of financial position. Short term receivables, payables and cash and cash equivalents have been excluded from the following disclosures on the basis that their carrying amount is a reasonable approximation to fair value.

	Fair value hierarchy	2024		2023	
		Carrying amount	Fair value	Carrying amount	Fair value
		£m	£m	£m	£m
<i>Held at amortised cost</i>					
Floating rate bank facilities due 2026	Level 2	-	-	(1,442)	(1,457)
Floating rate bank facilities due 2029	Level 2	(1,901)	(1,924)	(711)	(712)
\$400 million fixed rate notes due 2026	Level 1	(322)	(316)	(321)	(312)
€700 million fixed rate notes due 2030	Level 1	(572)	(590)	(598)	(619)
\$500 million fixed rate notes due 2031	Level 1	(391)	(384)	-	-
€370 million fixed rate notes due 2027	Level 1	(303)	(297)	(316)	(292)
\$410 million fixed rate notes due 2027	Level 1	(322)	(308)	(316)	(300)
<i>Held at fair value</i>					
Derivative financial instruments	Level 2	12	12	15	15
Minority equity investments	Level 3	5	5	11	11
		(3,794)	(3,802)	(3,678)	(3,666)

The fair values shown above for the bank facilities and fixed rate notes have been calculated using market values. There is no difference between the carrying value and the fair value of minority equity investments. These are accounted for as 'fair value through other comprehensive income' and are valued by reference to EBITDA multiples or discounted cash flows, as appropriate to each investment.

There have been no transfers between levels in 2024 or 2023.

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CAPITAL STRUCTURE

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5.4 LEASE OBLIGATIONS

Accounting policy

Where a contract provides the right to control the use of an asset for a period of time in exchange for consideration, the contract is accounted for as a lease. In order for lease accounting to apply, an assessment is made at the inception of the contract that considers whether:

- the Group has the use of an identified asset, which entitles it to the right to obtain substantially all of the economic benefits that arise from the use of the asset; and
- the right to direct the use of the asset, either through the right to operate the asset or by predetermining how the asset is used.

Measurement at lease inception

At the lease commencement date the Group, as the lessee, will recognise:

- a lease liability representing its obligation to make lease payments, and;
- an asset representing its right to use the underlying leased asset (ROU asset).

The lease liability is initially measured as the present value of future lease payments, discounted using the interest rate implicit in the lease, or if not available an incremental borrowing rate. Future lease payments will include fixed payments, variable lease payments that depend on an index or rate (initially measured at the rate at the commencement date, and subsequently modified as subsequent index or rates changes occur) and amounts expected to be payable by the lessee under residual value guarantees. In relation to variable lease payments that depend on an index or rate, the total lease liability recognised in the statement of financial position includes the impact of any index or rate changes that have already occurred, but does not include the impact of any future index or rate changes that have not yet taken place.

The ROU asset is initially measured at cost, which comprises the amount initially recognised as the lease liability, lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred, and the estimated costs to be incurred at the end of the lease to restore the site to the required condition stipulated in the lease.

In a business combination the ROU assets and lease liabilities for those leases accounted for under IFRS 16 'Leases' are aligned, except where it is assessed that the cost of the acquired historic lease commitments taken on are greater or lower than a market participant would expect to pay were equivalent leases being entered into at the time of the transaction. Where a current market rental is estimated to be higher than that currently paid by the acquired Group, there is an upward adjustment to the right-of-use asset, or vice-versa if the opposite applies.

On inception of a lease for a new site, where required, the estimated cost of decommissioning any additions is included within ROU assets and depreciated over the lease term. A corresponding provision is set up as disclosed in note 4.5.

Depreciation (and any subsequent impairment) on the ROU asset, interest on the lease liability and any variable lease payments are all recognised in the income statement.

Ongoing measurement

After the commencement date the Group measures the ROU asset using a cost model, reducing the cost through depreciation charges and any required impairment losses. Adjustments will be made to the ROU asset to reflect the changes in the lease liability as a result of changes to lease payments or modifications to the lease.

The lease liability is adjusted for interest on the liability, contractual lease repayments and any reassessment of the lease as a result of a contract modification, such as changes to the contractual rent amounts, or changes to the term of the lease.

Upon lease modification, the discount rates used in the present value calculations are adjusted to reflect the appropriate rates at the date of modification for the remaining term of the lease, with resulting adjustments to the liability and ROU asset balances. Discount rates are then not revisited during the remaining life of the lease.

When a lease is terminated earlier than the contractual end date within the lease agreement, the remaining balances on the lease liability after any final payments due, the ROU asset gross cost and the ROU asset accumulated depreciation are removed. Any difference between the liability balance removed and the net ROU asset balance removed are reflected in the income statement.

Short term and low-value leases

The Group has taken the recognition exemptions for short term leases and leases of low-value items. Leases which fall within the Group's defined parameters for these exemptions are excluded from the IFRS 16 lease accounting requirements and are accounted for on a straight-line basis over the lease term.

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5.4 LEASE OBLIGATIONS (CONTINUED)

Lease arrangements

The Group's most significant lease arrangements are set out below.

There is a portfolio of leases that relate to United Kingdom attractions within the Resort Theme Parks and Gateway Attractions Operating Groups, and Heide Park Resort in Germany. Each of these lease agreements was initially for a period of 35 years from inception until 2042, and allowed for annual rent increases based on the inflationary index in the United Kingdom and fixed increases in Germany. The Group had the option, but was not contractually required, to extend each agreement individually for two further terms of 35 years, to 2077 and then to 2102, subject to an adjustment to market rates at that time. At the end of 2021 the agreements were modified and new agreements were entered into to secure tenure for an additional 35 years from 2042 to 2077. The second extension option from 2077 to 2102 still remains available for the Group to exercise in the future for each site.

For the United Kingdom sites the transaction was treated as a lease modification. It did not meet the criteria to be treated as a separate lease. The Group did not exercise the lease option unilaterally; instead the Group and the lessor entered into a binding agreement to extend the leases in 2042, and agreed certain lease changes. As part of these changes the United Kingdom sites are subject to annual rent increases from 2022 onwards linked to CPI +0.5% (with a minimum increase of 1%, and a maximum increase of 4%). The minimum 1% per annum was reflected in the modification calculation.

For Heide Park Resort, under the extension agreement the park and hotel leases at this site continue to be subject to fixed annual rent increases, and these have been reflected in the modification calculation.

For the modifications above, the incremental borrowing rate was calculated by reference to the mid yield on a composite index of debt at an appropriate duration and the same (or similar) long term credit rating as the Company, adjusted where relevant for the sovereign yield for a similar duration to the index being used in the country/geography of that index.

In late 2024 a deed of variation was completed on the lease for Warwick Castle in relation to a new hotel constructed at that attraction, with increased lease payments commencing in January 2025 and running for the same term as the existing lease and with the same annual rent increase conditions.

LEGOLAND Japan was opened during 2017. The park was developed under an 'operated and leased' model whereby a local operating company leases the site and park infrastructure from a development partner. The development partners are related parties, being KIRKBI Invest A/S and LLJ Investco K.K., a subsidiary of KIRKBI Invest A/S. KIRKBI Invest A/S holds KIRKBI's investment as a shareholder of the Group. The lease is for a period of 50 years to 2067. The Group does not have any right to request the renewal of the lease agreement, however it may be extended subject to agreement of terms with the lessor. For further details see note 6.3.

In addition to the above leases, the Group also enters into other leasing arrangements for sites within the Gateway Attractions Operating Group and central areas. These are typically of a duration between 10 and 60 years, with rent increases determined based on local market practice. In addition to a fixed rental element, rents within the Gateway Attractions Operating Group can also contain a performance related element, typically based on turnover at the site concerned. The key contractual terms in relation to each lease are considered when calculating the rental charge over the lease term. The potential impact on rent charges of future performance or increases based on inflationary indices are each excluded from these calculations. Options to renew leases will vary from site to site in line with local market practice in the territories concerned. Not all of these leases will necessarily have extension options available to them.

On certain leases the Group is required to make other variable lease payments, usually in the form of rent based on a percentage of the turnover generated by the relevant attraction. These payments are in addition to or instead of any fixed or minimum rent amounts and are charged directly to the income statement. They are not included in the measurement of the lease liability or ROU assets as they are contingent on performance and there is no obligation to pay any such amounts until that performance occurs. As noted below, the expense relating to these variable lease payments was £29 million in 2024 (2023: £28 million).

There are no significant operating restrictions placed on the Group as a result of its lease arrangements.

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CAPITAL STRUCTURE

AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.4 LEASE OBLIGATIONS (CONTINUED)**Right-of-use assets**

	Land and buildings £m	Plant and equipment £m	Total £m
<i>Cost</i>			
At 1 January 2023	1,769	117	1,886
Additions	80	7	87
Movements in asset retirement provisions	4	(1)	3
Disposals	(9)	-	(9)
Transfer from property, plant and equipment (note 4.1)	5	-	5
Effect of movements in foreign exchange	(39)	(3)	(42)
Balance at 30 December 2023	1,810	120	1,930
Additions	60	3	63
Movements in asset retirement provisions (note 4.5)	(7)	-	(7)
Disposals	(4)	(2)	(6)
Transfer from property, plant and equipment (note 4.1)	6	-	6
Effect of movements in foreign exchange	(28)	(3)	(31)
Balance at 28 December 2024	1,837	118	1,955
<i>Depreciation</i>			
At 1 January 2023	240	13	253
Depreciation for the year	70	3	73
Impairment	11	-	11
Disposals	(4)	-	(4)
Effect of movements in foreign exchange	(7)	-	(7)
Balance at 30 December 2023	310	16	326
Depreciation for the year	74	4	78
Impairment	6	-	6
Disposals	(4)	(2)	(6)
Effect of movements in foreign exchange	(7)	-	(7)
Balance at 28 December 2024	379	18	397
<i>Carrying amounts</i>			
At 31 December 2022	1,529	104	1,633
At 30 December 2023	1,500	104	1,604
At 28 December 2024	1,458	100	1,558

During the year the Group reviews useful economic lives and tests ROU assets for impairment in accordance with the Group's accounting policy, as referred to in note 4.3. In 2024 impairment charges were made of £6 million (2023: £11 million), in respect of certain of the Group's Gateway attractions.

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CAPITAL STRUCTURE AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.4 LEASE OBLIGATIONS (CONTINUED)**Lease liabilities**

	2024 £m	2023 £m
Current	44	42
Non-current	1,590	1,591
	1,634	1,633

The maturity analysis of lease liabilities is disclosed within note 5.3. The cash outflow for leases is disclosed within note 5.1.

Amounts recognised in the income statement

	2024 £m	2023 £m
Expense relating to variable lease payments	29	28
Depreciation expense of right-of-use assets	78	73
Interest expense on lease liabilities	82	79
	189	180

5.5 EQUITY AND CAPITAL MANAGEMENT**Capital management**

The capital structure of the Group consists of debt and equity. The Group's objective when managing capital is to maintain a strong capital base so as to ensure shareholder and creditor confidence and to sustain future development of the business; to provide returns for shareholders; and to optimise the capital structure to reduce the cost of capital. There are no externally imposed capital requirements on the Group.

To enable the Group to meet its objectives, the Merlin Board monitor returns on capital through constant review of earnings generated from the Group's capital investment programme and through regular budgeting and planning processes, manage capital in a manner so as to ensure that sufficient funds for capital investment and working capital are available, and ensure that the requirements of the Group's debt covenants are met.

Share capital and reserves**Share capital**

	2024 Number	2024 £m	2023 Number	2023 £m
Ordinary shares of £0.01 each	28,759,359	-	28,759,359	-
Preference shares of £0.01 each	2,847,137,139	29	2,847,137,139	29
On issue and fully paid at end of year	2,875,896,498	29	2,875,896,498	29

Issue of shares

The nominal value of shares in issue is shown in share capital, with any additional consideration for those shares shown in share premium.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time.

Each ordinary share entitles the holder of that ordinary share to receive notice of and to attend and to speak and to vote at general meetings of the Company (on the basis of one vote per ordinary share), or on any resolution proposed to members as a written resolution. Each ordinary share in the capital of the Company ranks equally in all respects and no shareholder holds shares carrying special rights relating to the control of the Company.

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CAPITAL STRUCTURE

AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.5 EQUITY AND CAPITAL MANAGEMENT (CONTINUED)

Preference shares

The preference shares earn a fixed, cumulative, preferential dividend at the rate of 6% per annum on the issue price of the preference shares, which accrues (but is not payable) on each preference share on a daily basis from the date of issue of the relevant preference share, and ends on the day preceding the redemption date, compounding annually on each anniversary of the compounding date.

The preference shares rank ahead of the ordinary shares for all purposes and no dividend, distribution, return of capital and/or reduction of capital is paid on the ordinary shares until the preference shares have been redeemed in full.

Each preference share entitles the holder of that preference share to receive notice of and to attend and to speak and to vote at general meetings of the Company (on the basis of one vote per preference share), or on any resolution proposed to members as a written resolution.

Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment. The Directors of the Company have declared their intention not to pay a dividend for the year ended 28 December 2024 (2023: £nil).

Translation reserve

The translation reserve of £(55) million (2023: £(58) million) comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reporting date foreign exchange rates by major currency are provided in note 5.3.

Cost of hedging reserve

The cost of hedging reserve of £(6) million (2023: £(6) million) comprises accumulated changes in the time value of interest rate caps.

Cash flow hedge reserve

The cash flow hedge reserve of £14 million (2023: £18 million) comprises accumulated changes in the intrinsic value of interest rate caps and the fair value of interest rate swaps. They are reclassified from the cash flow hedge reserve to the income statement as a reclassification adjustment in the same period or periods during which the hedged future cash flows affect profit or loss.

Reserve for own shares

The Group has made share grants under three employee share incentive plans relating to the Company's subsidiary Motion Topco Limited (see note 5.6). Preference B shares, ordinary B shares and ordinary C shares of the subsidiary were issued to senior management and other employees in exchange for consideration. The total employee investment is £4,719,628 (2023: £4,775,928) with the nominal value of the shares subscribed for as at the reporting date being £119,341 (2023: £129,341). Upon the vesting date of the incentive plans, employees will hold a non-controlling interest in Motion Topco Limited of 0.16% (2023: 0.16%). Until vesting, Motion Topco Limited recognises these as treasury shares that result in a reduction to equity; this reduction is eliminated on consolidation.

In 2023, a newly incorporated limited partnership, Motion LP, invested in shares within the Management Share Scheme on behalf of eligible employees. There has been deemed sufficient parity between awards issued under this arrangement to conclude it is appropriate to account for all shares in the Management Share Scheme in the same way. It has been concluded that Merlin has control over Motion LP and hence its results are included in the consolidated financial statements of the Group.

3,929,200 (2023: 3,929,200) of the shares issued to employees as part of the share incentive plans are held in an employee benefit trust, with a nominal value of £39,292 (2023: £39,292). By way of control of the limited partnership, Motion LP, the Group owns 59,792 (2023: 1,059,792) of ordinary C class treasury shares held on trust for the beneficiaries of the share incentive plans. These shares have a nominal value of £598 (2023: £10,598) and result in a reduction to equity.

5.6 SHARE-BASED PAYMENT TRANSACTIONS

Accounting policy

The fair value of share plans is recognised as an expense over the expected vesting period with a corresponding entry to either share-based payment liabilities for cash-settled plans and cash-settled elements relating to compound instruments, or retained earnings for equity-settled plans and equity-settled elements relating to compound instruments. All entries are net of deferred tax. The fair value of share plans is determined at the date of grant. The fair value of awards granted is measured based on observable market data, taking into account the terms and conditions upon which awards were granted. For all cash-settled awards and cash-settled elements relating to compound instruments, the fair value is re-measured at each accounting date up to the vesting date by applying an option pricing model. Non-market based performance conditions (including most likely exit events) are taken into account for all plans in estimating the number of awards likely to vest, which is reviewed at each accounting date up to the vesting date, at which point the estimate is adjusted to reflect the actual awards issued. No adjustment is made after the vesting date even if the awards are forfeited or are not exercised.

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CAPITAL STRUCTURE

AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.6 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Share awards

The Group operates three employee share incentive plans:

- Senior Management Long Term Bonus plan (LTB)
- Senior Management Equity Investment (EI)
- Management Share Scheme (MSS)

The Group has issued share awards to employees, with all plans being in respect of the Company's subsidiary entity Motion Topco Limited. Some of these share awards issued are held in an employee benefit trust and a limited partnership (see note 5.5).

Analysis of share-based payment charge

The total credit for the year for all plans is £19 million (2023: charge of £13 million). The year on year movement reflects revisions in performance expectations leading to a reassessment of the fair value of cash-settled awards. At the reporting date, liabilities in respect of share-based payment transactions were £11 million (2023: £31 million). The calculation of the charge/(credit) for the year is affected by the calculations of the fair value of awards, as set out below, which includes the impact of current factors and future estimates. The Group has not directly measured the fair value of services received from individuals within the plans in the year, as it cannot be reliably estimated.

Plan	2024 £m	2023 £m
LTB	(4)	4
EI	-	-
MSS	(15)	9
	(19)	13

Analysis of awards

	LTB	EI	MSS
Performance condition ⁽¹⁾	Y	Y	Y
Method of settlement accounting	Cash-settled	Compound instrument	Part compound instrument, part equity-settled, part cash-settled
Number of allocated awards	-	4,970,113 ⁽²⁾	7,188,009 ^{(3),(4)}
Date of grant	November 2021	November 2021-July 2022	November 2021-July 2024
Weighted average award life (years) ⁽¹⁾	3.0	3.0	4.1

A reconciliation of award movements during the year is shown below. The exercise price for all plans is £nil and hence no weighted average exercise prices are presented.

	EI Number	MSS Number
At 31 December 2023	4,970,113	8,156,797
Granted during the year	-	987,157
Forfeited during the year	-	(1,955,945)
At 28 December 2024	4,970,113⁽²⁾	7,188,009^{(3),(4)}

⁽¹⁾ Weighted average award life / performance conditions – the Group has exercised its judgement to conclude there is sufficient parity between all MSS awards granted to both senior management and other employees to account for all MSS awards in the same manner, and accordingly have concluded that for all awards there is a non-market based performance condition that the awards will vest on the earlier of a defined interim trigger event or exit. Using the Group's approved five year business plan and considering ongoing future strategies of both the Group and the Group's shareholders, the most likely vesting period for each scheme has been estimated, with the maximum length of award expected to be seven years. The blend of compound, cash-settled or equity-settled instruments within each scheme therefore impacts the calculated weighted average award life.

⁽²⁾ Comprising 4,823,468 preference B shares and 146,645 ordinary B shares (2023: 4,823,468 preference B shares and 146,645 ordinary B shares).

⁽³⁾ Ordinary C shares.

⁽⁴⁾ Inclusive of 2,416,777 awards entitling the employee to a cash bonus equivalent in value to a notional number of shares and 4,771,232 allocated shares (2023: 1,683,905 awards and 6,472,892 allocated shares).

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SECTION 5

CAPITAL STRUCTURE AND FINANCING CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.6 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Senior Management Long Term Bonus plan (LTB)

The LTB plan was granted on 11 November 2021 to eligible employees. The designated individuals of the plan are entitled to a gross cash bonus corresponding to a percentage of the equity value of Motion Topco Limited upon vesting, which is expected to occur upon an interim trigger event. Known executive retirements occurring in the periods ended 30 December 2023 and 28 December 2024 have resulted in the reduction of this maximum percentage since the prior year to 0.48%. The LTB award is based on the value of equity instruments of Motion Topco Limited (there are no equity settlement alternatives) and continuity of service, and hence falls in scope to be cash-settled. Taxes due on cash bonus awards, equivalent to the value of a notional number of shares, will be settled via payroll.

The fair value of this award is estimated at £6 million following consideration of future uncertainties and the potential volatility of business values, and it could change in future years should the value of the Group rise over time. As the award is cash-settled, valuations calculating the expected fair value of awards are reperformed on an annual basis.

Senior Management Equity Investment (EI)

The Senior Management Equity Investment (EI) plan was granted from Motion Topco Limited on 11 November 2021 and 22 July 2022 following eligible employee investment, resulting in 4,823,468 preference B shares and 146,645 ordinary B shares being issued. The eligible employee investment for the EI plan varies in comparison to the Management Share Schemes (MSS) as the awards are a different share category (B shares versus ordinary C shares awarded in MSS schemes). The preference shares carry a right to a discretionary fixed, cumulative preferential dividend, which accrues (but is not payable) on each preference share on a daily basis from 1 April 2021. Payment of these dividends is at the discretion of the Board of Motion Topco Limited. Accordingly, these awards have been classified as equity and hence fall under the scope of IFRS 2 'Share-based Payment'.

There is a put option for cash on up to 100% of the shares at fair market value, exercisable at the expected vesting date, which is the earlier of a defined interim trigger event or exit. As an interim trigger event is expected to occur prior to an exit event, this has been used to estimate the vesting period of the plan. The option is subject to non-market based performance conditions, being exit events which create obligations on the Group, and continuity of employment. Individuals with continued employment until exit will retain shares to the extent the put option is not exercised; hence, the potential appreciation of value of the EI plan is treated as a compound instrument.

Management Share Scheme (MSS)

The MSS's are accounted for as part equity-settled, part cash-settled and part compound instruments. MSS plans were granted for senior management and other employees on various dates from November 2021 to July 2024, although some awards remain granted but unallocated. The plans can be subdivided into two tranches. The first tranche includes 6,688,009 ordinary C shares following eligible employee investment in Motion Topco Limited. This investment occurred via two routes. 4,260,634 of these shares were invested in directly by the employees. The remaining 10,598 shares were indirectly invested in via limited partner contributions on behalf of eligible employees. The first tranche also includes 2,416,777 awards which entitle the employee to a cash payment equivalent to the fair value of a notional number of shares upon vesting. All such awards are classified as cash-settled.

3,311,991 awards remain unissued and unallocated. Prior to an exit event all unallocated awards must be allocated; the Group has exercised its judgement and assumed that all awards will be allocated before an interim trigger event. Hence, the total value of this tranche of MSS awards will always be equal to 10,000,000 shares regardless of staff attrition over the vesting period. The value of 10,000,000 share awards has therefore been considered when calculating the fair value of the MSS plans.

The second tranche relates to 500,000 ordinary C shares issued on 22 July 2022. This tranche remains separate to the 10,000,000 share awards described above, but the terms of the awards are otherwise identical.

Whilst in the case of the senior management issues, the Board has retained some flexibility on the terms of settlement, the Group has exercised its judgement to conclude there is sufficient parity between MSS awards granted to all relevant individuals to account for all MSS awards in the same manner.

For MSS share awards, from December 2021 onwards, 12% per annum of the total award becomes eligible for cash-settlement at the expected vesting date, with the maximum cash-settlement crystallising at 60% in December 2025 of the total value of the MSS share awards. For the purposes of calculating the accounting entries, the full 60% is assumed to become eligible for cash-settlement ('the cash settlement option').

The 60% of MSS share awards which have a cash settlement option are subject to a put option; this option requires Motion JVco Limited to purchase the shares at fair market value for cash upon exercise at an interim trigger event. If the put option is not exercised, ordinary C shares in Motion Topco Limited would be retained by the employee and hence 60% of MSS share awards issued are treated as compound instruments. The equity component of the instrument is deemed to have an expected value of £nil at vesting (as the expected benefit relating to this portion of the award is identical to the expected cash benefit), and hence the entire share-based payment expense relating to 60% of MSS share awards issued relates to expected cash-settlement.

For the remaining 40% of MSS share awards issued, should the put option requiring Motion JVco Limited to purchase the other 60% at fair market value for cash be exercised, the employee's ordinary C shares would automatically convert to EI ordinary and preference B shares in quantities equivalent to fair market value at the point of exercise. If the put option is not exercised, ordinary C shares in Motion Topco Limited would be retained by the employee and would no longer be the obligation of the Group to settle. The awards are therefore treated as equity-settled and employees would receive the benefit of these shares at a final exit event following an interim trigger event, assuming continuity of service. Amounts due to tax authorities in respect of MSS shares issued are the obligation of the employee to settle.

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CAPITAL STRUCTURE AND FINANCING

CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

5.6 SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

Should the employee leave service after an interim trigger event but prior to a final exit event, they will receive a cash-settlement equivalent to the fair market value of their converted EI shares at the date of leaving (or the lower of cost and fair market value if the individual is a competing leaver). Historic attrition data for all levels of management has been reviewed in approximating the proportions of the 40% MSS awards that will be either equity or cash settled.

Fair value calculation

The fair value per award granted and the assumptions used in the calculations are as follows:

Plan	Settlement accounting	Number of awards	Date of grant ⁽⁴⁾	Exercise price (£)	Weighted average share price at grant date (£)	Weighted average fair value per award at measurement date (£)	Expected dividend yield (%)	Expected volatility (%)	Risk free rate (%)
LTB	Cash-settled	n/a	11/11/2021	-	n/a	5,957,813	0.0%	35.5%	3.5%
EI	Compound	4,970,113 ⁽¹⁾	11/11/2021 22/07/2022	-	0.823	-	0.0%	35.5%	3.5%
MSS	Compound	2,862,739 ⁽²⁾	11/11/2021 23/12/2021	-	0.111	1.10	0.0%	35.5%	3.5%
MSS	Equity-settled	1,365,742 ⁽²⁾	11/11/2021 23/12/2021	-	0.111	5.05	0.0%	40.2%	3.5%
MSS	Cash-settled	542,751 ⁽²⁾	11/11/2021 23/12/2021	-	0.111	4.10	0.0%	37.8%	3.5%
MSS	Cash-settled (other)	2,416,777 ^{(2),(3)}	23/12/2021	-	0.025	1.52	0.0%	35.5%	3.5%

⁽¹⁾ Comprising 4,823,468 preference B shares and 146,645 ordinary B shares (2023: 4,823,468 preference B shares and 146,645 ordinary B shares).

⁽²⁾ Ordinary C shares. 3,311,991 MSS awards remain unallocated as at 28 December 2024.

⁽³⁾ These awards entitle the employee to a cash bonus equivalent in value to a notional number of shares. It also includes shares invested in by a limited partner on behalf of eligible employees.

⁽⁴⁾ All 10,000,000 Tranche 1 MSS awards are deemed to have been granted on 11/11/2021 and 23/12/2021. Not all awards were allocated to specific employees on those dates. Unallocated awards have subsequently been allocated out on numerous dates up to the reporting date.

The key assumptions in calculating the share-based payments were as follows:

- The Monte-Carlo option pricing model was used to value all plans at the date of grant.
- The expected volatility is based on broadly comparable quoted companies and takes into account the expected life of the relevant award. Estimated future levels of volatility are based on volatility levels existing at the time of completing the valuation exercise each year.
- The risk-free rate is equal to the prevailing UK Gilts rate at grant date, which is commensurate with the expected term.
- Expected dividend yield assumes that preference shares will roll forward any accrued dividend on the basis that distributions are discretionary. Therefore, dividend yield is assumed to be 0.0%.
- The grant date has been determined for each plan following consideration of when there was mutual understanding between the Group and the employee on the plan's key terms; this date has been deemed to be the date of share issuance.
- The Group has exercised its judgement to conclude there is sufficient parity between MSS awards granted to both senior management and other employees to account for all awards in the same manner.

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SECTION 6

OTHER NOTES

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.1 INVESTMENTS

Accounting policy

The Group holds investments in two forms.

Minority equity investments are accounted for as 'fair value through other comprehensive income' (FVOCI), having taken the election available under IFRS 9 'Financial instruments'. This applies to the investments in IDR Resorts Sdn. Bhd., Gangwon Jungdo Development Corporation Ltd, Shanghai LEGOLAND Co., Ltd and Big Bus Tours Group Holdings Limited.

Associates and joint ventures are those entities over whose activities the Group has joint control or significant influence, established by contractual agreement. The consolidated financial statements include the Group's share of the total recognised income and expenses on an equity accounted basis, from the date that joint control or influence commences until the date that it ceases.

	IDR Resorts £m	Gangwon Jungdo Development Corporation £m	Shanghai LEGOLAND Co £m	Total £m
Balance at 31 December 2023	6	3	2	11
Net change in fair value - included in OCI	(6)	-	-	(6)
At 28 December 2024	-	3	2	5

Minority equity investments

IDR Resorts

The Group has a minority equity investment in IDR Resorts Sdn. Bhd. (IDR). IDR and its subsidiaries are deemed to be related parties as together they own LEGOLAND Malaysia (see note 6.3).

Gangwon Jungdo Development Corporation

The Group has a minority equity investment in Gangwon Jungdo Development Corporation Ltd, the local company that has provided funding and infrastructure support to the development of LEGOLAND Korea (see note 6.3).

Shanghai LEGOLAND Co.

The Group has a minority equity investment in Shanghai LEGOLAND Co., Ltd., the company developing the LEGOLAND Shanghai Resort. This is being developed under the Group's management contract model, where we manage the resort under a management contract.

Big Bus Tours

The Group has an investment in Big Bus Tours Group Holdings Limited (BIG BUS), held substantially all in the form of loan notes. The investment is valued adopting a market-based approach (based on EBITDA multiples). Following a review of the value at the reporting date, the value has been retained at £nil (2023: £nil). Positive value adjustments could occur in the future. The Group also holds a minority equity investment valued at £nil (2023: £nil).

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SECTION 6

OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.1 INVESTMENTS (CONTINUED)**Investments in associates and joint ventures****LL Dubai Hotel**

The Group holds a 40% equity interest in LL Dubai Hotel LLC, the company that developed the hotel at LEGOLAND Dubai, which opened in January 2022. The investment was impaired to £nil in 2022. As such the Group's share of that company's retained losses for the period have not been recognised.

Summarised financial information in respect of LL Dubai Hotel LLC is set out below and is based on 100% of their results.

	2024 £m	2023 £m
Non-current assets	53	56
Current assets	13	7
Total assets	66	63
Non-current liabilities	50	44
Current liabilities	14	9
Total liabilities	64	53
Revenue	10	11
Expenses	17	19
Loss for the year	(7)	(8)

6.2 EMPLOYEE BENEFITS**Accounting policies****Defined contribution pension schemes**

In the case of defined contribution schemes, the Group pays fixed contributions into a separate fund on behalf of the employee and has no further obligations to them. The risks and rewards associated with this type of scheme are assumed by the members rather than the employer. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the income statement as incurred.

Defined benefit pension schemes

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme. The Group's net obligation is calculated for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and offset by the fair value of any scheme assets. The calculation is performed by a qualified actuary using the projected unit credit method. All actuarial gains and losses are recognised in the period they occur directly in equity, through other comprehensive income.

Defined contribution pension schemes

The Group operates a number of defined contribution pension schemes and the total expense relating to those schemes in the current year was £15 million (2023: £16 million).

Defined benefit pension schemes

The principal scheme that the Group operates is a closed scheme for certain former UK employees of The Tussauds Group, which was acquired by the Merlin Group in 2007. The scheme entitles retired employees to receive an annual payment based on a percentage of final salary for each year of service that the employee provided. The pension schemes have not directly invested in any of the Group's own financial instruments or in properties or other assets used by the Group.

The most recent full actuarial valuation of the scheme was carried out as at 31 December 2021 and updated to 30 September 2022 due to material changes in market conditions. As a result, it was agreed to pay annual deficit reduction contributions of £544,000, increasing at 3% per annum, payable monthly from 1 January 2023 to 30 November 2028.

The Group expects £1 million in ongoing contributions to be paid to its defined benefit schemes in 2025. The weighted average duration of the defined benefit obligation at 28 December 2024 was 13 years (2023: 14 years).

During the financial year ended 30 December 2023, a High Court ruling on the Virgin Media Limited vs Pension Trustees II Limited and Others case concluded that, in relation to contracted out rights amendments between 1997-2016, pension scheme amendments relating to past and future service rights made without appropriate actuarial confirmation (Section 37 Confirmations) were deemed to be void. In July 2024, the Court of Appeal upheld the decision of the High Court.

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52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.2 EMPLOYEE BENEFITS (CONTINUED)

The Group has confirmed that during this time period, the defined benefit pension scheme was amended several times and a number of members within these schemes were contracted out. It is possible that a liability may arise for the Group.

The assets and liabilities of the schemes are:

	2024 £m	2023 £m
Equities	7	11
Corporate bonds	25	20
Cash	1	1
Pooled investment funds (property)	-	2
Fair value of scheme assets	33	34
Present value of defined benefit obligations	(30)	(31)
Net pension surplus	3	3

Movement in the net pension surplus

	Present value of scheme assets £m	Present value of defined benefit obligations £m	Net pension surplus £m
At 1 January 2023	32	(30)	2
Net interest	2	(2)	-
Contributions by employer	1	-	1
Benefits paid	(1)	1	-
At 30 December 2023	34	(31)	3
Net interest	2	(2)	-
Benefits paid	(1)	1	-
Remeasurement gain/(loss)	(2)	2	-
At 28 December 2024	33	(30)	3

The amount recognised in the income statement was £nil (2023: £nil). The amount recognised in the statement of other comprehensive income was £nil (2023: £nil).

Actuarial assumptions

Principal actuarial assumptions (expressed as weighted averages) at the year end were:

	2024	2023
Discount rate	5.6%	4.8%
Rate of price inflation	3.3%	3.2%

The scheme is closed to future accrual for active members and therefore there is no link to future salary increases.

Assumptions regarding future mortality are based on published statistics and mortality tables. For the Tussauds Group scheme the actuarial table used is S3PxA. The mortality assumption adopted predicts that a current 65 year old male would have a life expectancy to age 86 and a female would have a life expectancy to age 88.

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OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.3 RELATED PARTY TRANSACTIONS

Identity of related parties

The Group has related party relationships with its shareholders (and their connected parties), key management personnel, joint ventures, and other co-investors.

The defined benefit pension scheme for certain former UK employees of The Tussauds Group is also a related party (see note 6.2).

Transactions with shareholders (and connected parties)

Goods and services

Transactions including the purchase and sale of goods, the payment of fees and royalties, and trading balances outstanding at 28 December 2024 and 30 December 2023 were as follows:

	Goods and services			
	Sales £m	Amount owed by related party £m	Purchases and royalties £m	Amount owed to related party £m
2024				
KIRKBI Invest A/S	4	-	18	3
LEGO Group	3	8	94	6
	7	8	112	9
2023				
KIRKBI Invest A/S	1	-	18	3
LEGO Group	2	3	80	3
	3	3	98	6

Loans and borrowings

Certain shareholders (or other parties related to those shareholders), are owners of elements of the Group's bank facilities as described in note 5.2. Balances outstanding at 28 December 2024 are KIRKBI Invest A/S £29 million (2023: £413 million) and funds advised by parties related to Blackstone £65 million (2023: £26 million). Interest is paid and accrued on the same terms as described in note 5.2.

Lease arrangements

The Group has various lease arrangements with related parties, as detailed below. Payments represents the total of fixed rent, turnover rent and services charges made during the year. Commitments represents the total undiscounted commitment for future fixed rental payments at the reporting date.

	Term in years	Remaining years at reporting date	Payments	Commitments	Payments	Commitments
			2024 £m	2024 £m	2023 £m	2023 £m
LLJ Investco K.K	50	42	9	187	8	212
KIRKBI Invest A/S	25	15	1	6	1	7
Koldingvej 2 Billund A/S	29	17	<1	8	<1	8
Blackstone Investment Funds	11 to 22	3 to 15	2	10	2	23
Canada Pension Plan Investment Board (CPP Investments)	10	3	<1	1	<1	1

- As set out in note 5.4 the Group previously entered into a lease with LLJ Investco K.K (a subsidiary of KIRKBI Invest A/S).
- The Group leases land, buildings and car parking areas from KIRKBI Invest A/S (a shareholder).
- The Group leases land and buildings from Koldingvej 2 Billund A/S (which has a 25% shareholding in the LEGO Group).
- The Group has various lease agreements with parties that are related parties of the Blackstone Investment Funds, who are shareholders in the Company.
- The Group has a lease agreement with a party that is a related party of the Canada Pension Plan Investment Board (CPP Investments), who are shareholders in the Company.

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OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.3 RELATED PARTY TRANSACTIONS (CONTINUED)**Other transactions**

In 2023 £14 million was received from LEGO Juris A/S, a KIRKBI Group company, to support development activities at various attractions. £1 million of this amount remained unspent at the end of that year and was fully utilised during 2024 with no unspent balance remaining at the end of 2024. A further £2 million was received in 2024 with no unspent balance remaining of that amount at the end of 2024.

During 2024 the Group contracted payroll services, IT services and other services from companies that are related parties of the Blackstone Investment Funds that are shareholders in the Group. The total paid in the year to these companies was £7 million (2023: £3 million).

Transactions with key management personnel

Key management of the Group, being the Directors of the Board, the members of the Merlin Executive Committee and their immediate relatives control nil% (2023: nil%) of the Company. The remuneration of key management is disclosed in note 2.1.

As at 28 December 2024 and 30 December 2023 a member of key management was provided with a loan from the Group equalling £171,000 in aggregate, for use by the individual in investing in the Management Share Scheme (MSS) share incentive plan. The loan is due for repayment on the earlier of a defined interim trigger event, an exit event, or 31 January 2027 (see note 5.6 for further details on the scheme and vesting events). No interest is payable on the loan.

Transactions with other related parties**LEGOLAND Malaysia**

As part of the agreement for the development and operation of LEGOLAND Malaysia, the Group subscribed for share capital in IDR Resorts Sdn. Bhd. (IDR) which together with its subsidiaries owns the park (see note 6.1). On this basis, IDR and its subsidiaries are deemed to be related parties.

Transactions entered into, including the purchase and sale of goods, payment of fees and trading balances outstanding at 28 December 2024 and 30 December 2023, are as follows:

	2024	2023
	£m	£m
Sales to related party	4	4
Amounts owed by related party	2	3

LEGOLAND Korea

The Group has a minority equity investment in and has entered into transactions with Gangwon Jungdo Development Corporation Ltd, a Korean company which acts under the direction of the Gangwon Province and has provided funding and infrastructure support of KRW 80 billion (£43 million at year end exchange rates) to the development of LEGOLAND Korea. As required under the terms of the funding agreement, the Group has spent this support on costs associated with the project. The conditions of the funding require that following the completion of the park's construction, the Group operates the park for a period of time post-opening.

All of these funds had been received by 25 December 2021 and at the reporting date are recorded within deferred income. Once agreed with Gangwon Jungdo Development Corporation Ltd, this amount will be accounted for as a capital grant and offset against the total project costs, within property, plant and equipment.

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OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.4 NEW STANDARDS AND INTERPRETATIONS

The following amendments to standards and interpretations have been implemented in the year with no significant impact to the Group:

- Amendments to IFRS 16 'Leases - leases on sale and leaseback'
- Amendments to IAS 1 'Presentation of financial statements – non-current liabilities with covenants'
- Amendments to IAS 7 and IFRS 7 'Supplier finance arrangements'

The IASB has also issued the following amendments to standards that will be effective for the Group for the 2025 reporting period. The Group does not expect any significant impact on its consolidated financial statements from these amendments.

- Amendments to IAS 21 'Lack of exchangeability'

6.5 ULTIMATE PARENT COMPANY INFORMATION

The largest group in which the results of the Company are consolidated is that headed by the Company, incorporated in the United Kingdom. No other group financial statements include the results of the Company.

The consolidated financial statements of the Company and its subsidiaries are available to the public by visiting the Merlin corporate website at www.merlinentertainments.biz.

6.6 SUBSEQUENT EVENTS

Subsequent to the year end, in February 2025, the Group completed a debt refinancing as follows:

- Issued \$410 million (£330 million) of new senior secured notes entered into by the Company's subsidiary Motion Finco S.à r.l. to mature in 2032.
- Used the proceeds, net of fees, to repay the \$400 million 5.75% senior secured notes due 2026 entered into by the Company's subsidiary Merlin Entertainments Limited.

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OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS

The Group has the following investments in subsidiaries and joint ventures:

Subsidiary undertaking	Country of incorporation	Class of share held	Ownership 2024	Ownership 2023
AAE Unit Trust	Australia ⁽¹⁾	-	100.0%	100.0%
AQDEV Pty Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Illawarra Tree Topps Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
LEGOLAND Discovery Centre Melbourne Pty Ltd	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Living and Leisure Australia Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Living and Leisure Australia Management Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Living and Leisure Australia Trust	Australia ⁽¹⁾	-	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%
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 ⁽¹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Australia) 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 ⁽²⁾	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 ⁽¹⁾	Ordinary	100.0%	100.0%
Sydney Tower Observatory Pty Limited	Australia ⁽¹⁾	Ordinary	100.0%	100.0%
Sydney Wildlife World Pty Limited	Australia ⁽¹⁾	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 ⁽¹⁾	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%
Madame Tussauds Austria GmbH	Austria ⁽³⁾	Ordinary	100.0%	100.0%
MT Austria Holdings GmbH	Austria ⁽³⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Belgium N.V.	Belgium ⁽⁴⁾	Ordinary	100.0%	100.0%
Christchurch Investment Company Limited	British Virgin Islands ⁽⁵⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Canada) Inc	Canada ⁽⁶⁾	Ordinary	100.0%	100.0%
Madame Tussauds Exhibition (Beijing) Company Limited	China ⁽⁷⁾	Ordinary	100.0%	100.0%
Madame Tussauds Exhibition (Shanghai) Company Limited	China ⁽⁸⁾	Ordinary	100.0%	100.0%
Madame Tussauds Exhibition (Wuhan) Company Limited	China ⁽⁹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Hong Kong Limited	China ⁽¹⁰⁾	Ordinary	100.0%	100.0%

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52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS (CONTINUED)

Subsidiary undertaking	Country of incorporation	Class of share held	Ownership 2024	Ownership 2023
Merlin Entertainments (Shanghai) Company Limited	China ⁽¹¹⁾	Ordinary	100.0%	100.0%
Merlin Exhibition (Chongqing) Company Limited	China ⁽¹²⁾	Ordinary	100.0%	100.0%
Merlin Exhibition (Shenyang) Company Limited	China ⁽¹³⁾	Ordinary	100.0%	100.0%
Merlin Indoor Children's Playground (Shanghai) Company Limited	China ⁽¹⁴⁾	Ordinary	100.0%	100.0%
Merlin (Shanghai) Management Advisory Company Limited	China ⁽¹⁵⁾	Ordinary	100.0%	100.0%
Shanghai Chang Feng Oceanworld Co. Ltd	China ⁽¹⁶⁾	Ordinary	100.0%	100.0%
Shanghai LEGOLAND Management Co., Ltd	China ⁽¹⁷⁾	Ordinary	85.0%	85.0%
LEGOLAND ApS	Denmark ⁽¹⁸⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Denmark Holdings ApS	Denmark ⁽¹⁸⁾	Ordinary	100.0%	100.0%
SEA LIFE Helsinki Oy	Finland ⁽¹⁹⁾	Ordinary	100.0%	100.0%
SEA LIFE France SARL	France ⁽²⁰⁾	Ordinary	100.0%	100.0%
Dungeon Deutschland GmbH	Germany ⁽²¹⁾	Ordinary	100.0%	100.0%
Heide-Park Soltau GmbH	Germany ⁽²²⁾	Ordinary	100.0%	100.0%
LEGOLAND Deutschland Freizeitpark GmbH	Germany ⁽²³⁾	Ordinary	100.0%	100.0%
LEGOLAND Deutschland GmbH	Germany ⁽²³⁾	Ordinary	100.0%	100.0%
LEGOLAND Discovery Centre Deutschland GmbH	Germany ⁽²¹⁾	Ordinary	100.0%	100.0%
LEGOLAND Holidays Deutschland GmbH	Germany ⁽²³⁾	Ordinary	100.0%	100.0%
LLD Share Beteiligungs GmbH	Germany ⁽²³⁾	Ordinary	100.0%	100.0%
LLD Share GmbH & Co. KG	Germany ⁽²³⁾	Ordinary	100.0%	100.0%
Madame Tussauds Deutschland GmbH	Germany ⁽²¹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Deutschland GmbH	Germany ⁽²¹⁾	Ordinary	100.0%	100.0%
SEA LIFE Deutschland GmbH	Germany ⁽²¹⁾	Ordinary	100.0%	100.0%
SEA LIFE Konstanz GmbH	Germany ⁽²¹⁾	Ordinary	100.0%	100.0%
Tussauds Deutschland GmbH	Germany ⁽²²⁾	Ordinary	100.0%	100.0%
Tussauds Heide Metropole GmbH	Germany ⁽²²⁾	Ordinary	100.0%	100.0%
Merlin Entertainments India Private Limited	India ⁽²⁴⁾	Ordinary	100.0%	100.0%
Motion Bondco Designated Activity Company	Ireland ⁽²⁵⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre Bray Limited	Ireland ⁽²⁶⁾	Ordinary	100.0%	100.0%
Gardaland S.r.l.	Italy ⁽²⁷⁾	Ordinary	99.9%	99.9%
Gardaland Holidays S.r.l.	Italy ⁽²⁷⁾	Ordinary	99.9%	99.9%
Merlin Attractions Italy S.r.l.	Italy ⁽²⁷⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Italy S.r.l.	Italy ⁽²⁷⁾	Ordinary	100.0%	100.0%
Merlin Water Parks S.r.l.	Italy ⁽²⁷⁾	Ordinary	100.0%	100.0%
Ronchi del Garda S.p.A.	Italy ⁽²⁸⁾	Ordinary	^(a) 49.4%	^(a) 49.4%
Ronchi S.p.A.	Italy ⁽²⁷⁾	Ordinary	90.4%	90.4%
LEGOLAND Japan Limited	Japan ⁽²⁹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Japan) Limited	Japan ⁽³⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Luxembourg 3 S.à r.l.	Luxembourg ⁽³¹⁾	Ordinary	100.0%	100.0%
Motion Finco S.à r.l.	Luxembourg ⁽³¹⁾	Ordinary	100.0%	100.0%
Motion Finco 2 S.à r.l.	Luxembourg ⁽³¹⁾	Ordinary	100.0%	100.0%
LEGOLAND Malaysia Hotel Sdn. Bhd	Malaysia ⁽³²⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group (Malaysia) Sdn. Bhd	Malaysia ⁽³²⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Studios (Malaysia) Sdn. Bhd	Malaysia ⁽³²⁾	Ordinary	100.0%	100.0%

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52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS (CONTINUED)

Subsidiary undertaking	Country of incorporation	Class of share held	Ownership 2024	Ownership 2023
Amsterdam Dungeon B.V.	Netherlands ⁽³³⁾	Ordinary	100.0%	100.0%
LEGOLAND Discovery Centre Scheveningen B.V.	Netherlands ⁽³⁴⁾	Ordinary	100.0%	100.0%
Madame Tussauds Amsterdam B.V.	Netherlands ⁽³⁵⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Den Haag B.V.	Netherlands ⁽³⁶⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Holdings Nederland B.V.	Netherlands ⁽³³⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre Scheveningen B.V.	Netherlands ⁽³⁷⁾	Ordinary	60.0%	60.0%
Auckland Aquarium Limited	New Zealand ⁽³⁸⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (New Zealand) Limited	New Zealand ⁽³⁸⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (SEA LIFE PORTO) Unipessoal Lda	Portugal ⁽³⁹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Singapore Pte. Ltd	Singapore ⁽⁴⁰⁾	Ordinary	100.0%	100.0%
LEGOLAND Korea LLC	South Korea ⁽⁴¹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Korea Limited	South Korea ⁽⁴²⁾	Ordinary	100.0%	100.0%
Seoul Ocean Aquarium Co., Ltd.	South Korea ⁽⁴³⁾	Ordinary	100.0%	100.0%
SLCS SEA LIFE Centre Spain S.A.	Spain ⁽⁴⁴⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Thailand) Limited	Thailand ⁽⁴⁵⁾	Ordinary	100.0%	100.0%
Siam Ocean World Bangkok Co Ltd	Thailand ⁽⁴⁶⁾	Ordinary	100.0%	100.0%
Istanbul Sualti Dnyasi Turizm Ticaret A.S	Turkey ⁽⁴⁷⁾	Ordinary	100.0%	100.0%
Madame Tussauds Museum LLC	UAE ⁽⁴⁸⁾	-	^(b) 48.0%	^(b) 48.0%
Merlin Holdings Limited	UAE ⁽⁴⁹⁾	Ordinary	^(b) 1.0%	^(b) 1.0%
Alton Towers Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Alton Towers Resort Operations Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Charcoal CLG 1 Limited (<i>company limited by guarantee</i>)	UK ⁽⁵⁰⁾	-	100.0%	100.0%
Charcoal CLG 2 Limited (<i>company limited by guarantee</i>)	UK ⁽⁵⁰⁾	-	100.0%	100.0%
Charcoal Holdco Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Charcoal Midco 1 Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Charcoal Newco 1 Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Charcoal Newco 1a Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Chessington Hotel Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Chessington World of Adventures Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Chessington World of Adventures Operations Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Chessington Zoo Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
CWA PropCo Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
LEGOLAND US Holdings Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
LEGOLAND Windsor Park Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
London Aquarium (South Bank) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
London Dungeon Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
London Eye Holdings Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
London Eye Management Services Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Madame Tussaud's Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Madame Tussauds Touring Exhibition Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Attractions Operations Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Magic Making Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Asia Pacific) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%

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52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS (CONTINUED)

Subsidiary undertaking	Country of incorporation	Class of share held	Ownership 2024	Ownership 2023
Merlin Entertainments (Blackpool) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (Dungeons) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (NBD) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments (SEA LIFE) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Crown (UK) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Employee Benefit Trustees Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Holdings Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Operations Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Holidays Limited (formerly Tussauds Attractions Limited)	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin's Magic Wand Trustees Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin UK Finco 1 Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin UK Finco 2 Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Merlin US Holdings Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Motion LP ^(c)	UK ⁽⁵⁰⁾	-	-	-
Motion Topco Limited ^(d)	UK ⁽⁵⁰⁾	Ordinary	99.8%	99.8%
Motion Midco Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Motion Acquisition Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
SEA LIFE Centre (Blackpool) Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
SEA LIFE Centres Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
SEA LIFE Trustees Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
The London Planetarium Company Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
The Millennium Wheel Company Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
The Seal Sanctuary Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
The Tussauds Group Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Thorpe Park Operations Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Tussauds Group (UK) Pension Plan Trustee Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Tussauds Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Warwick Castle Limited	UK ⁽⁵⁰⁾	Ordinary	100.0%	100.0%
Lake George Fly LLC ^(e)	USA	-	-	100.0%
LEGO Discovery Center Washington D.C. LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND California LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Arizona LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Boston LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Columbus LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Centre (Dallas) LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Centre (Meadowlands) LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Michigan LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center Philadelphia LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center San Antonio LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND Discovery Center San Jose LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%

NOTES TO THE ACCOUNTS

SECTION 6

OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS (CONTINUED)

Subsidiary undertaking	Country of incorporation	Class of share held	Ownership 2024	Ownership 2023
LEGOLAND Discovery Centre US LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
LEGOLAND New York LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussauds Hollywood LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussaud Las Vegas LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussauds Nashville LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussaud's New York LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussauds Orlando LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussauds San Francisco LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Madame Tussauds Washington LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments Chicago LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments Crown (US) Inc	USA ⁽⁵¹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group Florida LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments Group US Holdings Inc	USA ⁽⁵¹⁾	Ordinary	100.0%	100.0%
Merlin Entertainments Group US LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments Group Wheel LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments North America LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments Short Breaks LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments Theme Parks LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Merlin Entertainments US NewCo LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Motion Finco LLC	USA ⁽⁵²⁾	-	100.0%	100.0%
SEA LIFE Center San Antonio LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
SEA LIFE Charlotte LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
SEA LIFE Meadowlands LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
SEA LIFE Michigan LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
SEA LIFE Minnesota LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
SEA LIFE Orlando LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
SEA LIFE US LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
The Tussauds Group LLC	USA ⁽⁵¹⁾	-	100.0%	100.0%
Joint venture undertaking	Country of incorporation	Class of share held	Ownership 2024	Ownership 2023
LL Dubai Hotel LLC	UAE ⁽⁵³⁾	Ordinary	40.0%	40.0%

^(a) Motion JVco 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.^(b) Motion JVco Limited has 100% of the beneficial ownership of these entities.^(c) Motion JVco Limited is the General Partner of Motion LP.^(d) Motion Topco Limited is held by the Company. All other subsidiaries are held by intermediate subsidiaries. Upon the vesting date of the share incentive plans, employees will hold a non-controlling interest in Motion Topco Limited of 0.16% (see note 5.5).^(e) Company dissolved on 27 December 2024.

NOTES TO THE ACCOUNTS

SECTION 6

OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS (CONTINUED)**Registered offices**

(1)	Suite 1, Level 11, 66-68 Goulburn Street, Sydney, New South Wales, 2000, Australia
(2)	Unit 501, 370 St Kilda Road, Melbourne, Victoria, Australia
(3)	Riesenradplatz 5-6, 1020 Wien, Vienna, Austria
(4)	Koning Albert I Laan 116, 8370, Blankenberge, Belgium
(5)	Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands
(6)	Suite 5300 Commerce Court West, 199 Bay Street, Toronto, ON, M5L 1B9, Canada
(7)	No. 4, 6, 8, 10, 12, 14, 16, 18 Qianmen Avenue, Dongcheng District, Beijing, China
(8)	10/F New World Building, No 2-68 Nanjing Xi Road, Shanghai 200003, China
(9)	21, Han Street, Wuchang District, (Shops 40/41/42) Building 5, Lot J2, Wuhan, China
(10)	Shops B131, B132 & B133 of Level B1, K11 Musea Victoria Dockside, 12 Salisbury Road Tsim Sha Tsui, Kowloon Hong Kong
(11)	Room No.3F-01b&32&K1, L3 Floor, Zhihuixuhui Plaza, No.1-2 of 2389 Alley, Zhangyang Road, Shanghai Pilot Free Trade Zone, China
(12)	4-11, Fu 9, No. 133, Nanpin Road, Nan'an District, Chongqing, China
(13)	No. 2 Jia-I, Bolan Road, Heping District, Shenyang, China
(14)	L2-25, 2F, 3F Parkside Plaza, Putuo District, Shanghai, China
(15)	Room 10-1, 10th Floor, No 2-68 Nanjing West Rd, Huangpu District, Shanghai, China
(16)	189, Daduhe Road, Pu Tuo District, Shanghai, 200062, China
(17)	Room 5668, No. 19, Cao Li Road 38 Lane, Feng Jing Town, Jinshan District, Shanghai, China
(18)	Aastvej 10, 7190 Billund, Denmark
(19)	Tivolitie 10, Helsinki 00510, Finland
(20)	Centre Commercial Val d'Europe, Espace 502, 14 cours du Danube, Serris, 77111 Marne-La-Vallée, France
(21)	Kehrwieder 5, 20457 Hamburg, Germany
(22)	Heidenhof 1, 29614 Soltau, Germany
(23)	Legoland Allee, 89312, Gunzburg, Germany
(24)	606 Suryakiran Building, 19 Kasturba Gandhi Marg, Connaught Place, New Delhi 110001, India
(25)	2 nd Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland
(26)	6 th Floor, 2 Grand Canal Square, Dublin 2, Ireland
(27)	Via Derna 4, Castelnuovo del Garda, 37014, Verona, Italy
(28)	Loc Ronchi, Castel del Garda Verona, 37014, Verona, Italy
(29)	2-2-1, Kinjoutou Minato-ku, Nagoya-shi, Japan
(30)	Island Mall, Decks Tokyo Beach, 1-6-1 Daiba, Minato-ku, Tokyo, Japan
(31)	2-4, Rue Eugène Ruppert, L-2453, Luxembourg
(32)	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur, Malaysia
(33)	Rokin 78, 1012 KW Amsterdam, Netherlands
(34)	Strandweg, 2586 JK Den Haag, Netherlands
(35)	Dam 20 GEBOUW P&C, 1012 NP Amsterdam, Netherlands
(36)	Jasmijn 13, Leidschendam, 2262AN, Netherlands
(37)	Strandweg 13, 2586 JK Den Haag, Netherlands
(38)	Level 11, 41 Shortland Street, Auckland 1010, New Zealand
(39)	No. 1 Rua Particular do Castelo de Queijo, 4100-379, Porto, Portugal
(40)	12 Marina View, #11-01 Asia Square, Tower 2, 018961, Singapore
(41)	Yoseon-dong, 8F Moorim Building, 16 Joongang-ro, Chuncheon-si, Gangwon-do, Republic of Korea
(42)	266 Haeundaehaebun-ro, Haenudee-Gu, Busan, Republic of Korea
(43)	513, Yeongdong-daero, Gangnam-gu, Seoul, Republic of Korea
(44)	Puerto Marina, Benalmadena-Costa, 29630 Benalmadena, Malaga, Spain
(45)	989 Siam Discovery, #401 4 Flr., #501 5 Flr., #601 6 Flr., #701 7 Flr., Rama I Road, Pathumwan, Bangkok 10330, Thailand
(46)	B1-B2 Floor Siam Paragon, 991 Rama I Road, Khweng Patumwan, Bangkok 10330, Thailand
(47)	Kocatepe Mah, Pasa Cad, Forum Istanbul AVM No. 5/5, Bayrampasa, Turkey
(48)	EC001 The Wharf, Bluewaters Island, Dubai, United Arab Emirates
(49)	Emaar Square, Building 3, Level 5, P.O. Box 37172, Dubai, United Arab Emirates
(50)	Arbor Building, 16 th Floor, 255 Blackfriars Road, London, England, SE1 9AX, United Kingdom
(51)	1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, United States
(52)	200 Bellvue Parkway Suite 210, Wilmington, New Castle County, Delaware, 19809, United States
(53)	PO Box 66000, Dubai, United Arab Emirates

NOTES TO THE ACCOUNTS

SECTION 6

OTHER NOTES CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

6.7 SUBSIDIARY AND JOINT VENTURE UNDERTAKINGS (CONTINUED)**UK registered subsidiaries exempt from audit**

The following subsidiaries are taking advantage of an exemption from audit under section 479A of the Companies Act 2006. Motion JVco Limited is providing a statutory guarantee for any outstanding liabilities of these subsidiaries. All subsidiary undertakings have been included in the consolidated financial statements of Motion JVco Limited as at 28 December 2024.

Subsidiary undertaking	Company number	Subsidiary undertaking	Company number
Alton Towers Resort Operations Limited	06127441	Merlin Entertainments (Dungeons) Limited	03671067
Charcoal CLG I Limited	06128422	Merlin Entertainments (NBD) Limited	05010879
Charcoal Midco I Limited	06125930	Merlin Entertainments (SEA LIFE) Limited	02182098
Charcoal Newco I Limited	06128686	Merlin Entertainments Crown (UK) Limited	09679586
Charcoal Newco Ia Limited	06130062	Merlin Entertainments Group Limited	05022287
Chessington Hotel Limited	05686193	Merlin Entertainments Group Operations Limited	03671093
Chessington World of Adventures Operations Limited	06128521	Merlin Entertainments Holidays Limited	06287489
LEGOLAND US Holdings Limited	06273037	Merlin Magic Making Limited	03663168
LEGOLAND Windsor Park Limited	02721728	Merlin UK Finco I Limited	08753258
London Aquarium (South Bank) Limited	06553877	Merlin UK Finco 2 Limited	08753263
London Eye Holdings Limited	05686179	Merlin US Holdings Limited	06273035
London Eye Management Services Limited	02896849	SEA LIFE Centre (Blackpool) Limited	02407713
Merlin Entertainments (Asia Pacific) Limited	03767102	Thorpe Park Operations Limited	06127478
Merlin Entertainments (Blackpool) Limited	02429776		

Motion LP (LP023282) is taking advantage of an exemption from preparing accounts under regulation 7 of The Partnerships (Accounts) Regulations 2008.

MOTION JVCO LIMITED

COMPANY

FINANCIAL STATEMENTS

Company statement of financial position at 28 December 2024 (2023: 30 December 2023)

	Note	2024 £m	2023 £m
Non-current assets			
Investments	iii	2,372	3,016
Amounts owed by Group undertakings		2	2
		2,374	3,018
Current assets			
Amounts owed by Group undertakings		1	1
Total assets		2,375	3,019
Non-current liabilities			
Amounts owed to Group undertakings		2	2
Other payables	iii	11	31
Total liabilities		13	33
Net assets		2,362	2,986
Issued capital and reserves attributable to owners of the Company	iv	2,362	2,986
Total equity		2,362	2,986

The notes on pages 109 to 112 form part of these financial statements.

The Company has elected to take the exemption available under s408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The Company recorded a loss for the year of £624 million (2023: £nil).

The parent Company financial statements were approved by the Board of Directors on 20 March 2025 and were signed on its behalf by:

Søren Thorup Sørensen
Director

MOTION JVCO LIMITED

COMPANY

FINANCIAL STATEMENTS

Company statement of changes in equity at 28 December 2024 (2023: 30 December 2023)

	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
At 1 January 2023		29	2,956	1	2,986
Profit for the year		-	-	-	-
At 30 December 2023		29	2,956	1	2,986
Loss for the year		-	-	(624)	(624)
At 28 December 2024	iv	29	2,956	(623)	2,362

NOTES TO MOTION JVCO LIMITED

COMPANY

FINANCIAL STATEMENTS

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

i ACCOUNTING POLICIES

Motion JVco Limited (the Company) is a private company limited by shares which is incorporated in the United Kingdom. Its registered office is Arbor Building, 16th Floor, 255 Blackfriars Road, London, England, SE1 9AX.

The principal activity of the Company is to act as a holding company.

These financial statements were prepared in accordance with UK Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, 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.

The consolidated financial statements of Motion JVco Limited are prepared in accordance UK adopted international accounting standards and are available to the public and may be obtained by visiting the Merlin corporate website at www.merlinentertainments.biz. Company financial statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

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

- Cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Motion JVco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of 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.

These financial statements have been prepared for the 52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023).

A summary of the Company's significant accounting policies is set out below.

Investments in subsidiaries

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.

Foreign currency

Foreign currency transactions are translated into the functional currency 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.

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.

NOTES TO MOTION JVCO LIMITED

COMPANY

FINANCIAL STATEMENTS CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

i ACCOUNTING POLICIES (CONTINUED)

Classification of financial instruments issued by the Company

Financial instruments are recognised in 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. The preference shares issued by the Company carry a fixed, cumulative, preferential dividend which accrues (but is not payable) on each preference share on a daily basis from the date of issue of the relevant preference share. Payment of these dividends is at the discretion of the Company and accordingly they have been classified as 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.

Dividends

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

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. Management considers the area of estimation that has the most significant effect on the amounts recognised in the financial statements to be the estimation of the recoverable value of the Merlin Entertainments Group of companies, which underpins the annual review of the carrying amount of the Company's investment in subsidiaries (see note iii).

ii OPERATING EXPENSES

Staff numbers and costs

The average number of persons employed by the Company during the year was eight (2023: seven), being the Directors of the Company.

The employment costs of the Directors of the Company have been borne by other Group companies for their services to the Group as a whole. The costs related to these Directors are included within note 2.1 of the consolidated financial statements.

Auditor's remuneration

Fees paid to Ernst & Young LLP for audit and other services to the Company are not disclosed in its individual accounts as the Group accounts are required to disclose such fees on a consolidated basis (note 2.1 of the consolidated financial statements).

NOTES TO MOTION JVCO LIMITED

COMPANY

FINANCIAL STATEMENTS CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

iii INVESTMENT IN SUBSIDIARY UNDERTAKING

	Shares in subsidiary undertaking £m
Cost and carrying value	
At 1 January 2023	3,005
Movement	11
At 30 December 2023	3,016
Movement	(20)
Impairment	(624)
At 28 December 2024	2,372

The subsidiary undertakings at the year end are as follows:

Entity	Activity	Country of incorporation	Shareholding	Description of shares held
Motion LP (<i>limited partnership</i>)	Holding partnership	UK	-	-
Motion Topco Limited	Holding company	UK	99.8%	Ordinary

A full list of Group companies is included in note 6.7 of the consolidated financial statements on pages 100 to 104.

Share-based payments

Upon the vesting date of the share incentive plans, employees of the Group will hold a non-controlling interest in Motion Topco Limited of 0.16% (see note 5.5 of the consolidated financial statements). Cash settlements occurring upon vesting of the schemes are the obligation of the Company to settle. Movements of £19 million have been recognised which reduced the corresponding liability in other payables. The total liability at 28 December 2024 was £11 million (2023: £31 million).

Impairment testing

The carrying amount of the Company's investments in subsidiaries has been reviewed to determine whether there is any indication of impairment.

The approach to impairment testing within the consolidated accounts is set out in note 4.3 to the consolidated accounts which includes details on the key assumptions and estimates used when calculating the recoverable amount of the Group's businesses. The approach adopted applied a fair value less cost to sell approach using level 3 inputs in reaching the investment's recoverable amount.

An impairment charge of £624 million has been recognised in the year, reflecting more challenging trading conditions and our anticipation of slower economic recovery in the medium term.

Sensitivity analysis

Impairment reviews are often sensitive to changes in key assumptions. Sensitivity analysis has therefore been performed on the calculated recoverable amount considering incremental changes in the key assumptions. In undertaking sensitivity analysis consideration has been given to movements in forecast EBITDA, increases in discount rates and decreases in multiples applied to EBITDA.

For assets tested on a fair value basis using discounted cash flows:

- the Directors consider that the forecasts used reflect what a willing and knowledgeable buyer would assume. It is noted, however, that the calculations are inherently sensitive to the level of growth which can depend on a number of factors. While in the short term slower growth would be highly unlikely to affect valuations by a substantial amount, longer term shortfalls that affect the outlook for the fifth year of the plan (which drives the terminal value) would have a more significant impact. If the relevant forecasted cash flows were 5% lower than currently anticipated there would be an incremental impairment of £111 million.
- discount rates have been derived from market data to represent a market participant's required return. As these rates are intended to be long term in nature they are expected to be reasonably stable in the short term, however market discount rates could increase in future. If the pre-tax discount rate used in the value in use calculations of 11.3% had been 50 basis points higher the Company would have recognised an incremental impairment charge of £67 million. If the pre-tax discount rate had been 50 basis points lower the impairment charge would have been £75 million lower.

NOTES TO MOTION JVCO LIMITED

COMPANY

FINANCIAL STATEMENTS CONTINUED

52 weeks ended 28 December 2024 (2023: 52 weeks ended 30 December 2023)

iii INVESTMENT IN SUBSIDIARY UNDERTAKING (CONTINUED)

For assets tested on a fair value less cost to sell basis using a multiple of EBITDA approach, level 3 inputs were applied with the range of EBITDA multiples being 10 to 13.5. These multiples could be subject to change depending on latest estimates. If the multiple used was 0.5 lower there would be an incremental impairment charge of £203 million.

iv EQUITY

Share capital

	2024 Number	2024 £m	2023 Number	2023 £m
Ordinary shares of £0.01 each	28,759,359	-	28,759,359	-
Preference shares of £0.01 each	2,847,137,139	29	2,847,137,139	29
On issue and fully paid at end of year	2,875,896,498	29	2,875,896,498	29

Issue of shares

The nominal value of shares in issue is shown in share capital, with any additional consideration for those shares shown in share premium.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time.

Each ordinary share entitles the holder of that ordinary share to receive notice of and to attend and to speak and to vote at general meetings of the Company (on the basis of one vote per ordinary share), or on any resolution proposed to members as a written resolution. Each ordinary share in the capital of the Company ranks equally in all respects and no shareholder holds shares carrying special rights relating to the control of the Company.

Preference shares

The preference shares earn a fixed, cumulative, preferential dividend at the rate of 6% per annum on the issue price of the preference shares, which accrues (but is not payable) on each preference share on a daily basis from the date of issue of the relevant preference share, and ends on the day preceding the redemption date, compounding annually on each anniversary of the compounding date.

The preference shares rank ahead of the ordinary shares for all purposes and no dividend, distribution, return of capital and/or reduction of capital is paid on the ordinary shares until the preference shares have been redeemed in full.

Each preference share entitles the holder of that preference share to receive notice of and to attend and to speak and to vote at general meetings of the Company (on the basis of one vote per preference share), or on any resolution proposed to members as a written resolution.

Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment. The Directors of the Company have declared their intention not to pay a dividend for the year ended 28 December 2024 (2023: £nil).

Retained earnings

The loss after tax for the year in the accounts of Motion JVco Limited is £624 million (2023: £nil).

v RELATED PARTY TRANSACTIONS

For full details of transactions and arrangements with the Company's shareholders and other related parties, see note 6.3 of the consolidated financial statements.

GLOSSARY

AI	Artificial intelligence
Board	Board of Directors of the Company.
Capex	Capital expenditure.
Cluster	A group of attractions located in a city close to one another.
Constant currency	Using 2023 exchange rates.
CWE	Conservation, Welfare and Engagement. The SEA LIFE team that focuses on delivering world class animal welfare throughout our animal care network and developing new guest experiences.
EBITDA	Profit before finance income and costs, taxation, depreciation, amortisation and impairment, and after taking account of attributable profit after tax of joint ventures.
Existing estate (EE)	EE comprises all attractions other than new openings.
Gateway or Gateway attractions (formerly 'Midway')	The Gateway Attractions Operating Group and/or the Gateway attractions within it. Gateway attractions are typically smaller, indoor attractions located in city centres, resorts or shopping malls.
GDPR	General Data Protection Regulation.
IP	Intellectual Property.
Group	Motion JVco Limited group of companies.
IPO	Initial Public Offering.
KPI	Key Performance Indicator.
LBC	Little BIG City attractions. These are part of the Gateway Attractions Operating Group.
LCA	Licence and Co-operation agreement. This agreement sets out the rights granted to the Group to use the LEGO and LEGOLAND brands.
LDC	LEGOLAND Discovery Centre attractions. These are part of the Gateway Attractions Operating Group.
Like for like (LFL)	2024 LFL growth refers to the growth between 2023 and 2024 on a constant currency basis using 2023 exchange rates and includes all businesses owned and operated before the start of 2023.
Listing	Listing on the London Stock Exchange.
LLP	LEGOLAND Parks Operating Group.
Merlin Board	The Board of Directors of Merlin Entertainments Limited.
Merlin Magic Making (MMM)	MMM is the unique resource that sits at the heart of everything Merlin does. It is our specialist in-house site-search and business development; creative design; production; and project management team. MMM also pursues acquisition and investment opportunities.
Merlin's Magic Wand (MMW)	MMW forms a key element of Merlin's environmental, social and governance commitment. Our partner children's charity delivers magical experiences around the world to children who are facing challenges of serious illness, disability or adversity.
MT	Madame Tussauds attractions. These are part of the Gateway Attractions Operating Group.
'Net Promoter' score	How we measure the propensity of our customers to recommend our attractions.
New Business Development (NBD)	NBD relates to attractions that are newly opened or under development for future opening, together with the addition of new accommodation at existing sites. New openings can include both Gateway attractions and new theme parks. NBD combines with the existing estate to give the full estate of attractions.
Non-core	Attractions which Merlin has ceased the operation of during the period.

GLOSSARY

Operating free cash flow	Underlying EBITDA less existing estate capex.
Peppa Pig	We have a multi-territory exclusivity arrangement to develop a range of attractions based on the Peppa Pig brand, one of the most well-known pre-school IPs in the world.
Peppa Pig Theme Park	A standalone theme park based on the Peppa Pig brand. When located at a Merlin theme park as a second gate attraction the results are reported within the associated Operating Group.
Rooms	A single accommodation unit at one of our theme parks, for example a hotel room, lodge or glamping tent.
RPC	Revenue per capita, defined as visitor revenue divided by number of visitors.
RTP	Resort Theme Parks Operating Group.
SEA LIFE TRUST	The SEA LIFE TRUST forms a key element of Merlin's environmental, social and governance commitment. Our partner marine conservation charity works to protect the marine environment.
Second gate	A visitor attraction at an existing resort with a separate entrance and for which additional admission fees are charged.
SLC	SEA LIFE Centre aquarium attractions. These are part of the Gateway Attractions Operating Group.
Top Box	The highest level of customer satisfaction that we record in our customer surveys from touchscreen data at our attractions.
Underlying	We refer to underlying results, which provide a more direct comparison of trading performance.
Visitors	Represents all individual visits to Merlin owned or operated attractions.

Terms used

Unless otherwise stated, the terms 'Merlin', 'Merlin Entertainments', 'the Group', 'We' and 'Us' refer to the Company (Motion JVco Limited) and, as applicable, its subsidiaries and/or interests in joint ventures.

Percentages are calculated based on figures before rounding and are then rounded to one decimal place.

OTHER FINANCIAL INFORMATION

Foreign exchange rate sensitivity

The Group's income statement is exposed to fluctuations in foreign currency exchange rates principally on the translation of our non Sterling earnings. The tables below show the impact on 2024 revenues and Underlying EBITDA of re-translating them at 2023 foreign exchange (FX) rates. The calculation for weighted average EBITDA rates can be affected where foreign currency earnings move between months from being positive or negative.

Currency	2023 average FX rates	2024 average FX rates	%age movement in FX rates	Revenue impact £m
USD	1.24	1.28	2.9%	19
EUR	1.15	1.18	2.5%	10
JPY	174.46	193.11	10.7%	9
Other				14
Increase in 2024 revenues at 2023 FX rates				52

Currency	2023 average FX rates	2024 average FX rates	%age movement in FX rates	EBITDA impact £m
USD	1.24	1.27	2.6%	6
EUR	1.16	1.18	2.3%	3
JPY	174.83	193.57	10.7%	2
Other				4
Increase in 2024 Underlying EBITDA at 2023 FX rates				15