

Louis Tussaud's Wax Museum (Blackpool) A/S

Østergade 16
1100 København K
Denmark

CVR no. 36 42 93 13

Annual report 2018

The annual report was presented and approved at
the Company's annual general meeting on

7 June 2019

James Allen Pattison
Chairman

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Louis Tussaud's Wax Museum (Blackpool) A/S
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Louis Tussaud's Wax Museum (Blackpool) A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 7 June 2019
Executive Board:

Darren James Loblaw

Board of Directors:

Nicolas Oliver Desmarais

James Allen Pattison

Darren James Loblaw



Independent auditor's report

To the shareholder of Louis Tussaud's Wax Museum (Blackpool) A/S

Opinion

We have audited the financial statements of Louis Tussaud's Wax Museum (Blackpool) A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding matters in the financial statements

Without qualifying our opinion, we refer to note 5 of the financial statements, in which it is stated that Great Pacific Enterprises (New York) Inc. has issued a letter of support stating that financial support will be provided to Louis Tussaud's Wax Museum (Blackpool) A/S at least until 31 December 2019.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

Independent auditor's report

evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 June 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Kyhnav
State Authorised
Public Accountant
mne40028

Louis Tussaud's Wax Museum (Blackpool) A/S
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Management's review

Company details

Louis Tussaud's Wax Museum (Blackpool) A/S
Østergade 16
1100 København K
Denmark

Telephone: 45825005
Fax: 45825006

CVR no.: 36 42 93 13
Financial year: 1 January – 31 December

Board of Directors

Nicolas Oliver Desmarais
James Allen Pattison
Darren James Loblaw

Executive Board

Darren James Loblaw,

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Management's review

Operating review

Principal activities

The Company operates the museums Ripley's Believe It or Not, the World of Hans Christian Andersen, the Guinness World of Records Museum and the Mystic Exploratorie in Copenhagen.

Development in activities and financial position

The Company's income statement for 2018 shows a profit of DKK 138 thousand (2017: Loss of DKK 3,232 thousand), which is considered satisfactory. The Company's equity amounts to DKK 1,069 thousand.

Capital resources

Ripley (USA) Inc. has issued a letter of support stating that financial support will be provided to Louis Tussaud's Wax Museum (Blackpool) A/S at least until 31 December 2019.

Based on this, it is Management's assessment that the Company can continue as a going concern.

Outlook

In 2019, Management expects similar results to 2018.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the Company's financial position as at 31 December 2018.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2018	2017
Revenue		14,343	10,198
Cost of goods sold		-500	-290
Other external costs		-10,145	-9,368
Gross profit		3,698	540
Staff costs	2	-3,386	-3,605
Depreciation, amortisation and impairment losses		-177	-171
Operating profit/loss		135	-3,236
Financial expenses		3	4
Profit before tax		138	-3,232
Tax on profit for the year		0	0
Profit for the year		138	-3,232
Proposed profit appropriation/distribution of loss			
Retained earnings		138	-3,232
		138	-3,232

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2018	31/12 2017
ASSETS			
Fixed assets			
Property, plant and equipment			
Fixtures and fittings, tools and equipment		<u>506</u>	<u>683</u>
Financial assets			
Deposits		<u>784</u>	<u>761</u>
Total fixed assets		<u>1,290</u>	<u>1,444</u>
Current assets			
Receivables			
Other receivables		762	2,087
Prepayments		<u>987</u>	<u>0</u>
		<u>1,749</u>	<u>2,087</u>
Cash at bank and in hand		<u>6,756</u>	<u>2,336</u>
Total current assets		<u>8,505</u>	<u>4,423</u>
TOTAL ASSETS		<u><u>9,795</u></u>	<u><u>5,867</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2018	31/12 2017
EQUITY AND LIABILITIES			
Equity			
	3		
Share capital	4	751	751
Retained earnings		318	-9,492
Total equity		<u>1,069</u>	<u>-8,741</u>
Liabilities			
Current liabilities			
Payables to group entities		7,009	14,130
Other payables		<u>1,717</u>	<u>478</u>
		<u>8,726</u>	<u>14,608</u>
Total liabilities		<u>8,726</u>	<u>14,608</u>
TOTAL EQUITY AND LIABILITIES		<u><u>9,795</u></u>	<u><u>5,867</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Louis Tussaud's Wax Museum (Blackpool) A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Revenue

Income from the sale of goods, comprising the sale of tickets to attractions, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-7 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtor's registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Other Payables

Other liabilities are measured at net realisable value.

2 Staff costs

DKK'000	2018	2017
Wages and salaries	3,308	3,514
Pensions	78	91
	<u>3,386</u>	<u>3,605</u>
Average number of full-time employees	<u>18</u>	<u>18</u>

3 Equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2018	751	-9,492	-8,741
Transferred over the profit appropriation	0	138	138
Cash contribution from group	<u>0</u>	<u>9,672</u>	<u>9,672</u>
Equity at 31 December 2018	<u>751</u>	<u>318</u>	<u>1,069</u>

4 Share Capital

The share capital consists of:

DKK'000	31/12 2018	31/12 2017
1 A-share at DKK 340,000	340,000	340,000
1 A-share at DKK 5,000	5,000	5,000
10 A-shares at DKK 500	5,000	5,000
801 B-shares at DKK 500	<u>400,500</u>	<u>400,500</u>
	<u>750,500</u>	<u>750,500</u>

5 Capital resources

Louis Tussaud's Wax Museum (Blackpool) A/S recorded a profit of DKK 138 thousand for the financial year ended 31 December 2018, against a loss of DKK 3,232 thousand at 31 December 2017.

Great Pacific Enterprises (New York) Inc. has issued a letter of support stating that financial support will be provided to Louis Tussaud's Wax Museum (Blackpool) A/S at least until 31 December 2019.

Financial statements 1 January – 31 December

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6 Contractual obligations, contingencies, etc.

Remaining operating lease obligations at the balance sheet date falling due within 12 months amounts to DKK 4,993 thousand (2017: DKK 4,857 thousand).

7 Mortgages and collateral

Bank deposits amounting to DKK 2,643 thousand at 31 December 2018 have been provided as collateral for rental obligations, which are included in other receivables.

8 Related party disclosures

Louis Tussaud's Wax Museum (Blackpool) A/S' related parties comprise the following:

Control

Jim Pattison U.S.A. Inc., 19 San Marco Avenue, St. Augustine 32084 Florida, USA, holds the majority of the share capital in the Company.

Other related parties

Other related parties include the members of the Board of Directors and the Executive Board.

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Jim Pattison U.S.A. Inc.
19 San Marco Avenue
St. Augustine
32084 Florida, USA

Consolidated financial statements

The consolidated financial statements of the Jim Pattison Group are available at the Company's address:

Jim Pattison Group
Suite 1800 1067 West Cordova Street
Vancouver, BC V6C JC7
USA