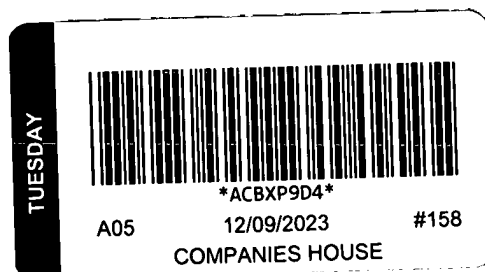


Registered number: 07777872

ZIP WORLD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



ZIP WORLD LIMITED

COMPANY INFORMATION

Directors

S W Taylor
D J Stacey
A S Hudson
M V Britton (appointed 19 January 2022)
A Jones (appointed 1 April 2023, resigned 21 July 2023)

Registered number

07777872

Registered office

Zip World Base Camp
Denblgh Street
Llanrwst
LL26 0LL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

ZIP WORLD LIMITED

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ZIP WORLD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the Strategic Report of Zip World Limited (the "Company") for the year ended 31 December 2022.

Business review and future developments

The Company has traded well for the year. Revenue has increased by 17% to £27.4m compared to prior year, with rider volumes growing on a like for like basis. Underlying EBITDA has also grown on a comparative basis. EBITDA, before exceptional items, has decreased by £1.3m to £9.6m, however the prior year included the positive impact of grant and rate relief support, and the reduced VAT rate in FY21 to support recovery. The FY22 results reflect the continuation of a positive UK holiday market, taking advantage of increased UK travel volume coupled with a longer-term underlying trend of experiential short break trips, which fits the Company profile well.

During 2022 the Group acquired the trade and assets of the Tyn Y Coed hotel in Snowdonia, and the share capital of Treetop Trek Limited, an adventure business comprising of two sites in Northern England. This sees the Group operating sites outside Wales for the first time. The Group also opened new experiences at two of its existing sites, and continues to invest in its people, brand, and infrastructure to underpin future growth.

The net assets at the end of the year was £19.8m (2021: £13.4m).

The strategy of the business is to grow revenue through a combination of organic growth of new experiences on existing sites, development of new site locations, and acquisitions as it expands its adventure experiences across the UK. The Group's focus continues to be providing world class differentiated outdoor adventure experiences, and is also adding accommodation offerings to package those experiences together, further fuelling growth. The Group has multiple opportunities for expansion and to drive customer dwell time across existing and new sites. In a dynamic consumer environment, it remains critically important to continue to offer unforgettable leisure experiences to ensure that customers' expectations are consistently exceeded.

At the end of 2022, the Group re-financed its banking facilities with HSBC and agreed the adoption of a Revolving Credit Facility of up to £15m, which allows increased efficiency of borrowing whilst also giving the Group access to funds for acquisition and development opportunities should they be available. A £5m, uncommitted, accordion facility further enhances that ability.

As a Group, we are proud to support the tourism industry, employ people who live locally to our attractions, and utilise local suppliers where possible. This is part of our ethos to build sustainable, long term quality employment opportunities in the regions where we operate.

ZIP WORLD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

Financial instrument risks

The Company uses various financial instruments, these include loans, finance leases, Interest rate caps, cash, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail below.

The main risks arising from the Company's financial instruments are:

- liquidity risk
- credit risk
- general economic conditions and
- cashflow interest rate risk.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by revolving credit facilities and overdraft facilities. The maturity of borrowings is set out in the notes to the financial statements.

Credit risk

The Group's principal financial assets are cash. The credit risk associated with cash is limited.

Interest rate risk

The Company finances its operations through a mixture of retained profits, finance leases and bank lending. The Company's exposure to interest rate fluctuations on its borrowings is managed with the use of both fixed and floating rate facilities.

Other economic risk

The nature of the Group's business is that it is exposed to the general economic conditions prevailing in the United Kingdom. The COVID 19 recovery, uncertainties related to Brexit and the conflict in Ukraine, and the economic challenges of the cost of living crisis may have a negative impact on consumer discretionary spending and in turn on the Group's financial performance. To help manage and mitigate this, the Group is broadening and evolving its adventure activities to offer experiences at various price points. This will maximize revenue opportunities and increase resilience to consumer economic pressures.

Other principal risks

Health and safety

To minimise and manage any Health and Safety risk in relation to the outdoor adventure activities, such considerations are at the forefront of the design and equipment management for each attraction from the outset. Safe operating procedures are integral to the management processes for each site and are audited regularly by third party advisors and our insurers.

Staff retention

As a visitor attraction, a key part of the Zip World experience is the interaction that visitors have with the Group's employees. As a result the Group invests significantly in the training and the welfare of its employees to encourage staff retention. We do this through creating a positive working environment, investing in staff development and training, and paying competitive wage rates for the regions in which they are based.

ZIP WORLD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

The Company used the following key performance indicators to monitor the Company's performance:

	2022	2021
Revenue	£27.4m	£23.5m
EBITDA before exceptionals	£9.6m	£10.9m
Employee numbers	528	441

Directors' statement of compliance with duty to promote the success of the Company

The Board have considered the requirements of Section 172 (1) reporting in the preparation of these financial statements. In making key decisions, the Board considers the following;

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers, and others;
- d) the impact of the company's operations on our local communities and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly and reasonably between all stakeholders of the company.

The Board consider key decisions in the context of the above areas and record how these decisions have been made. The stakeholders impacted by decisions are identified by management in the preparation of Board papers and through broader discussion in the business.

The Board meet on at least ten occasions throughout the year and all decisions are discussed in depth and considerations and conclusions are recorded in the minutes. As a result of these activities, the Board has an overview of the outcomes of the stakeholder engagement, and other factors, enabling the directors to comply with their duties under Section 172 of the Companies Act 2006.

The following are examples of stakeholder engagement that has taken place during the financial year:

Our People

Our team are critical to the delivery of our customer proposition across our business. Senior management have created a set of business values which are communicated across the business to ensure that Zipworld is the most recommended experience brand in the world. These values are; do the right thing, be exceptional, and challenge the norm and they are prominently featured throughout the business. The leadership team have regular discussions and engage with the teams to reinforce the practical application of these values in the business. In turn these values are used as an integral part of our recruitment process and, furthermore, are then used as part of the induction programme for all employees.

Management throughout the business have regular meetings with their teams where information is disseminated and feedback sought. The feedback received throughout the business is considered by the Board in decision making and referenced for specific projects, as necessary. The business also conducts an anonymous team satisfaction survey at least annually, and reflects on and gives responses to the team's feedback.

Our Customers

Our customers have often booked an experience with us to mark a significant occasion, to overcome their fears or to push themselves both physically and mentally, or simply to create a memorable experience for family, friends or colleagues. Whatever they are doing with us we are helping them enjoy physically or mentally challenging experiences that will enhance their lives and encourage them to face future challenges. It is their positive experience that will drive our attainment of being the most recommended experience brand in the world.

ZIP WORLD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

We strive to ensure that our adventures are both accessible and inclusive, to be enjoyed by all. We run promotions for low income families and our local communities to facilitate this, alongside having appropriate measures in place to allow safe accessibility for as many customers as possible. Management, both on site and the senior team, regularly engage with our customers on site to get their feedback and listen to and learn from any concerns. We also provide customers with the opportunity to provide feedback via online and physical survey processes which are reviewed by management. This feedback is then reflected in decision making and also considered by the Board where appropriate.

Our Investors

Our founder, our senior management team, and all our investors have a comprehensive understanding of the Zipworld business and their views are critical to shaping the future direction of the company. These views are discussed by the Board in making strategic and directional decisions. Board behaviours, in turn, are governed by our articles of association and investor agreement.

Our Suppliers

Our suppliers play a key part in enabling us to deliver exceptional experiences for our customers. We seek to choose the best products and services to meet our requirements, and then develop long-term relationships with the suppliers that provide them, to create strong and enduring value over time. We pride ourselves in building lasting relationships with local suppliers in our communities, to share in the business success, ensuring that the economic benefits are gained throughout our supply chain. We review supplier performance regularly and have a cycle of re-tendering key supply contracts to ensure that products and services continue to be delivered in line with expectations for both our business and our customers. We also ensure that our suppliers engage in discussing their corporate and social responsibilities with our team and commit to their continued compliance with the Modern Slavery Act.

The broader Community & Environment

The Board and management are committed to ensuring that our operations are an integral part of the communities in which they sit. Our sites are in rural locations and, as such, we are one of the main sources of regional employment as well as driving income into the regions as a major contributor to the tourism sector. We recognise our responsibilities in that regard, paying above the living wage to our teams, and also ensuring that we support the community by sourcing locally and supporting local charities and causes where appropriate. The management team on each site is encouraged to engage directly with their local communities and strive to develop lasting relationships of mutual benefit.

The Board is committed to ensuring that our business considers its impact on the community and environment in its operations and considers the practical and tangible ways in which this can be improved and actively monitored with a longer term aim of building a strategy of sustainability. The Board is also committed to attain B Corporation accreditation in the near term and have been working towards that goal throughout 2022.

Our Culture

The Board believes culture to be key in achieving long-term success and growth. Our high standards of business conduct, and the pursuit of continuous improvement and innovation, are the direct result of a culture that focuses not only on achieving high levels of performance but doing so in a way that is sustainable and reflects our values, as described above. The Board supports the founder and senior team in embedding this culture into the business, and as a result the Group is now developing a clearly defined purpose across all business functions based on the three key values which govern how we act as a business. The Board and management team have strong values in respecting others, being inclusive to all backgrounds and beliefs and support equality in all its forms.

ZIP WORLD LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 6 September 2023 and signed on its behalf.

S. Taylor

S W Taylor
Director

ZIP WORLD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company is incorporated in England and Wales with a Company registration number of 07777872. The principal activity of the Company was selling outdoor adventure experiences in the United Kingdom.

Results and dividends

The profit for the year, after taxation, amounted to £6,470,877 (2021 - £8,134,585).

Results for the year and financial position for the Company are shown in the annexed financial statements. No dividends have been paid (2021: Nil)

Directors

The directors who served during the year and up to the date of this report were:

S W Taylor
D J Stacey
A S Hudson
M V Britton (appointed 19 January 2022)
A Jones (appointed 1 April 2023, resigned 21 July 2023)
K I Hepworth (appointed 19 January 2022, resigned 01 April 2022)

ZIP WORLD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Future developments

An indication of the likely future developments of the Company are discussed in the business review section of the Strategic Report

Financial risk management

The financial risk management of the company is described in the Strategic Report

Engagement with employees

The Group places great emphasis on its employees and has continued its practice of keeping them informed on matters affecting their employment and the financial and economic factors affecting the performance of the Group.

The Group provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be considered when making decisions that are likely to affect their interests. Employee involvement in Zip World Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in continuing its growth.

It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

Engagement with suppliers, customers and others

Supplier payment policy

When entering into commitments for the purchase of services and goods, the Company gives consideration to quality, delivery, terms of payment and price. If the Company is satisfied that suppliers have provided the services or goods in accordance with the agreement made between the supplier and the Company, then payment is made. The Company makes every effort to resolve disputes quickly if they should arise.

Disabled employees

The Company recognises its responsibility to employ disabled persons in suitable roles and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion and adjustments are made to the working environment as required.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and Officers' liability insurance in respect of itself and its directors.

ZIP WORLD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

The Company is a subsidiary of ZWPV Limited (the "Group"). The Group is financed through bank and shareholder debt and at an operating level is cash generative. Due to the way the business is financed, the Group has a net current, and total, liability position but the cashflows forecast enable liabilities to be met. The Group has prepared detailed forecasts for the next 12 month period ended 30 September 2024 and beyond, for a total of 5 years, including plausible downside scenarios, which show that the business maintains profitable trading. The business has also modelled a severe scenario which illustrates that the Group maintains profitable trading at up to a decrease of over 60% of its rider volume in the year. The Group is therefore expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Projections of covenant compliance confirm that the Group will achieve compliance to its leverage covenant. The Group re-financed its banking facilities with HSBC at the end of 2022 and agreed the adoption of a Revolving Credit Facility of up to £15m.

The Group continues to monitor closely the impact of economic consumer uncertainty on market conditions. However, based on our management of the operations, current trading performance, and disciplined cash management procedures, the Group has confidence it has a strong and robust continuing cash flow. The directors have therefore prepared the financial statements on a going concern basis.

Post balance sheet events

During 2023 the Company elected to hive-up the trade and assets of Treetop Trek Limited, a company within the Group that was acquired in 2022. The Company also opened a new ride at its Penrhyn Quarry site.

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 6 September 2023 and signed on its behalf.



S W Taylor
Director

ZIP WORLD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Zip World Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

ZIP WORLD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD LIMITED (CONTINUED)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK health & safety and tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate profits reported in order to maintain or increase value to shareholders of the group. Audit procedures performed by the engagement team included:

- Discussions with management and legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board minutes and reports that set out the entity's compliance and monitoring of legal and internal control matters; and
- Identifying and testing journal entries, in particular those having unusual account combinations involving revenues or other credits to the statement of comprehensive income.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

ZIP WORLD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD LIMITED (CONTINUED)

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants & Statutory Auditors

6 September 2023

ZIP WORLD LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	27,398,767	23,542,833
Other operating income	5	339,210	1,129,318
Other external charges		(11,337,057)	(7,605,806)
Exceptional other external charges		(83,842)	-
Staff costs		(6,755,684)	(6,091,633)
Depreciation and amortisation		(1,799,425)	(1,535,053)
Other operating expenses		(59,078)	(74,620)
Operating profit	6	7,702,891	9,365,039
Interest receivable and similar income	10	11,763	368
Interest payable and similar expenses	11	(34,519)	(3,493)
Profit before tax		7,680,135	9,361,914
Tax on profit	12	(1,209,258)	(1,227,329)
Profit for the financial year		6,470,877	8,134,585

The notes on pages 16 to 34 form part of these financial statements.

ZIP WORLD LIMITED
REGISTERED NUMBER: 07777872

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	106,375	-
Tangible assets	14	17,353,058	13,872,467
Investments	15	2,269,568	2,008,318
		<u>19,729,001</u>	<u>15,880,785</u>
Current assets			
Stocks	16	289,703	180,326
Debtors: amounts falling due within one year	17	11,312,237	991,016
Cash at bank and in hand	18	1,480,132	13,072,653
		<u>13,082,072</u>	<u>14,243,995</u>
Creditors: amounts falling due within one year	19	(8,313,040)	(10,758,192)
Net current assets		<u>4,769,032</u>	<u>3,485,803</u>
Total assets less current liabilities		<u>24,498,033</u>	<u>19,366,588</u>
Creditors: amounts falling due after more than one year	20	(1,005,221)	(843,781)
Provisions for liabilities			
Deferred tax	22	(1,181,968)	(664,026)
		<u>(1,181,968)</u>	<u>(664,026)</u>
Accruals and deferred income	23	(2,460,713)	(4,479,527)
Net assets		<u><u>19,850,131</u></u>	<u><u>13,379,254</u></u>
Capital and reserves			
Called up share capital	24	300	300
Profit and loss account	25	19,849,831	13,378,954
Total shareholders' funds		<u><u>19,850,131</u></u>	<u><u>13,379,254</u></u>

ZIP WORLD LIMITED
REGISTERED NUMBER: 07777872

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2023.



S W Taylor
Director

The notes on pages 16 to 34 form part of these financial statements.

ZIP WORLD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	300	5,244,369	5,244,669
Comprehensive Income for the year			
Profit for the year	-	8,134,585	8,134,585
Other comprehensive Income for the year	-	-	-
Total comprehensive Income for the year	-	8,134,585	8,134,585
Total transactions with owners	-	-	-
At 1 January 2022	300	13,378,954	13,379,254
Comprehensive Income for the year			
Profit for the year	-	6,470,877	6,470,877
Other comprehensive Income for the year	-	-	-
Total comprehensive Income for the year	-	6,470,877	6,470,877
Total transactions with owners	-	-	-
At 31 December 2022	300	19,849,831	19,850,131

The notes on pages 16 to 34 form part of these financial statements.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Zip World Limited's (the "Company") principal activity is the operation of adventure experience activities.

The Company is a private company limited by shares and incorporated and domiciled in United Kingdom. Its registered office is Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of ZWPV Limited as at 31 December 2022 and these financial statements may be obtained from Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL..

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Going concern

The Company is a subsidiary of ZWPV Limited (the "Group"). The Group is financed through bank and shareholder debt and at an operating level is cash generative. Due to the way the business is financed, the Group has a net current, and total, liability position but the cashflows forecast enable liabilities to be met. The Group has prepared detailed forecasts for the next 12 month period ended 30 September 2024 and beyond, for a total of 5 years, including plausible downside scenarios, which show that the business maintains profitable trading. The business has also modelled a severe scenario which illustrates that the Group maintains profitable trading at up to a decrease of over 60% of its rider volume in the year. The Group is therefore expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Projections of covenant compliance confirm that the Group will achieve compliance to its leverage covenant. The Group re-financed its banking facilities with HSBC at the end of 2022 and agreed the adoption of a Revolving Credit Facility of up to £15m.

The Group continues to monitor closely the impact of economic consumer uncertainty on market conditions. However, based on our management of the operations, current trading performance, and disciplined cash management procedures, the Group has confidence it has a strong and robust continuing cash flow. The directors have therefore prepared the financial statements on a going concern basis.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of adventure experiences

Turnover from the sale of adventure experiences is recognised when the customer participates in the experience. Any amounts received in advance of customer participation are held within deferred income on the Balance Sheet.

Sale of merchandising

Turnover from the sale of merchandising is recognised at the point of sale of the merchandise product.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Website	-	3	years

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	- 4%
Plant and machinery	- 10%-25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%
Assets under construction	- not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under construction is comprised of ongoing spend on projects to develop new sites, attractions and adventure activities.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.22 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.22 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The entity is applying Section 11 and 12 of FRS102 in respect of recognition and measurement of financial instruments.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are not considered to be any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful economic lives of tangible and intangible assets

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The remaining useful economic life and residual values of the main assets of the Company are considered a source of estimation uncertainty. See note 13 for the carrying amount of the intangible assets and note 2.14 for the economic useful lives for each class of intangible asset. See note 14 for the carrying amount of the tangible assets and note 2.15 for the economic useful lives for each class of tangible asset.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Adventure sales	22,617,890	20,331,188
Sale of goods	4,550,513	3,163,714
Other sales	56,379	47,931
Accommodation sales	173,984	-
	<u>27,398,766</u>	<u>23,542,833</u>

All turnover arose within the United Kingdom.

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating Income

	2022 £	2021 £
Other operating income	105,210	120,719
Furlough scheme grant	-	552,599
Revenue grants	234,000	456,000
	<u>339,210</u>	<u>1,129,318</u>

Revenue grants relate to Welsh Government and Local Council support to help cover costs during the CV19 pandemic forced site closures.

Furlough Scheme grants relate to the Coronavirus Job Retention Scheme for when staff were placed on furlough whilst the business was closed to trading.

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	59,078	74,620
Tangible fixed assets - depreciation	1,790,800	1,535,053
Intangible fixed assets - amortisation	8,625	-
Other operating lease rentals	<u>2,160,474</u>	<u>1,901,114</u>

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>25,000</u>	<u>22,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	6,245,100	5,727,132
Social security costs	431,398	304,925
Pension costs	79,186	59,576
	6,755,684	6,091,633

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Operations	528	441

9. Directors' remuneration

Directors' remuneration is borne by the parent company, ZWPV Limited, and it is not possible to apportion the remuneration between the Group companies.

10. Interest receivable

	2022	2021
	£	£
Other interest receivable	11,763	368
	11,763	368

11. Interest payable and similar expenses

	2022	2021
	£	£
Other interest payable	30,380	-
Finance leases and hire purchase contracts	4,139	3,493
	34,519	3,493

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	691,316	832,822
	<u>691,316</u>	<u>832,822</u>
Total current tax	<u>691,316</u>	<u>832,822</u>
Deferred tax		
Origination and reversal of timing differences	517,942	267,737
Changes to tax rates	-	126,770
Total deferred tax	<u>517,942</u>	<u>394,507</u>
Taxation on profit/(loss)	<u>1,209,258</u>	<u>1,227,329</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) before tax	7,680,135	9,361,914
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,459,226	1,778,764
Effects of:		
Expenses not deductible	9,500	9,500
Capital allowances for year in excess of depreciation	222,832	(10,018)
Adjustments to tax charge in respect of prior periods	(3,344)	-
Tax rate changes	-	126,770
Effect of group relief/other reliefs	(478,956)	(677,687)
Total tax charge for the year	<u>1,209,258</u>	<u>1,227,329</u>

Factors that may affect future tax charges

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2020 to 31 March 2023 remains at 19% but the rate from 1 April 2023 will increase to 25%. Deferred taxes at the reporting date have been measured using these enacted tax rates and reflected in these financial statements.

13. Intangible assets

	Website £	Goodwill £	Total £
Cost			
At 1 January 2022	116,335	-	116,335
Additions	-	115,000	115,000
At 31 December 2022	116,335	115,000	231,335
Amortisation			
At 1 January 2022	116,335	-	116,335
Charge for the year on owned assets	-	8,625	8,625
At 31 December 2022	116,335	8,625	124,960
Net book value			
At 31 December 2022	-	106,375	106,375
At 31 December 2021	-	-	-

Goodwill

The goodwill addition during the year arose via the acquisition of the trade and assets of a hotel, the Tyn y Coed, in North Wales.

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under constructio n £	Total £
Cost or valuation						
At 1 January 2022	6,668,604	10,135,854	357,124	2,419,913	219,496	19,800,991
Additions	1,285,550	2,026,356	189,779	231,856	1,584,590	5,318,131
Disposals	-	-	(80,125)	-	-	(80,125)
Transfers between classes	(14,858)	7,720	-	-	7,138	-
At 31 December 2022	<u>7,939,296</u>	<u>12,169,930</u>	<u>466,778</u>	<u>2,651,769</u>	<u>1,811,224</u>	<u>25,038,997</u>
Depreciation						
At 1 January 2022	760,471	2,913,913	215,322	2,038,818	-	5,928,524
Charge for the year on owned assets	326,703	1,243,620	62,911	157,566	-	1,790,800
Disposals	-	-	(33,385)	-	-	(33,385)
Transfers between classes	(8,844)	8,844	-	-	-	-
At 31 December 2022	<u>1,078,330</u>	<u>4,166,377</u>	<u>244,848</u>	<u>2,196,384</u>	<u>-</u>	<u>7,685,939</u>
Net book value						
At 31 December 2022	<u>6,860,966</u>	<u>8,003,553</u>	<u>221,930</u>	<u>455,385</u>	<u>1,811,224</u>	<u>17,353,058</u>
At 31 December 2021	<u>5,908,133</u>	<u>7,221,941</u>	<u>141,802</u>	<u>381,095</u>	<u>219,496</u>	<u>13,872,467</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	-	66,771
	<u>-</u>	<u>66,771</u>

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Investment in joint ventures £	Total £
Cost or valuation				
At 1 January 2022	2,008,318	-	4	2,008,322
Additions	-	261,250	-	261,250
At 31 December 2022	<u>2,008,318</u>	<u>261,250</u>	<u>4</u>	<u>2,269,572</u>
Impairment				
At 1 January 2022	-	-	4	4
At 31 December 2022	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Net book value				
At 31 December 2022	<u>2,008,318</u>	<u>261,250</u>	<u>-</u>	<u>2,269,568</u>
At 31 December 2021	<u>2,008,318</u>	<u>-</u>	<u>-</u>	<u>2,008,318</u>

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Zip World Fforest LTD	Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Adventure activities	Ordinary	100%
Zip World RAK Limited	Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Dormant	Ordinary	100%
Bounce Below Limited	Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Dormant	Ordinary	100%

Joint venture

The Company has a 50% holding in a joint venture:

Name: Zip World Adventure Hotel Limited

Registered office: Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL

Principal activity: Development of building projects

Unlisted investments

During the year the Company acquired a minority interest in the share capital of The Social Commerce Platform Limited.

16. Stocks

	2022 £	2021 £
Finished goods and goods for resale	289,703	180,326
	<u>289,703</u>	<u>180,326</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Impairment losses totalling £nil (2021 - £nil) were recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Debtors

	2022	2021
	£	£
Amounts owed by group undertakings	10,440,817	-
Amounts owed by joint ventures and associated undertakings	94,460	94,460
Other debtors	292,639	285,970
Prepayments and accrued income	484,321	610,586
	11,312,237	991,016

Amounts owed by group undertakings are not subject to interest and are repayable on demand

18. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	1,480,132	13,072,653
	1,480,132	13,072,653

19. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	811,189	521,930
Amounts owed to group undertakings	4,415,231	7,402,795
Corporation tax	310,524	834,636
Other taxation and social security	448,465	132,484
Obligations under finance lease and hire purchase contracts	-	13,678
Other creditors	525,711	274,474
Accruals and deferred income	1,801,920	1,578,195
	8,313,040	10,758,192

Amounts owed to group undertakings are not subject to interest and are repayable on demand

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	-	50,822
Other creditors	532,111	695,912
Government grants received	473,110	97,047
	<u>1,005,221</u>	<u>843,781</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within 1 year	-	13,678
Between 1-5 years	-	50,822
	<u>-</u>	<u>64,500</u>

22. Deferred taxation

	2022 £
At beginning of year	(664,026)
Charged to profit or loss	(517,942)
At end of year	<u>(1,181,968)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Origination and reversal of timing differences	(1,181,968)	(664,026)
	<u>(1,181,968)</u>	<u>(664,026)</u>

ZIP WORLD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Accruals and deferred income

	2022 £	2021 £
Deferred income	(2,460,713)	(4,479,527)
	<u>(2,460,713)</u>	<u>(4,479,527)</u>

24. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
300 (2021 - 300) Ordinary shares shares of £1.00 each	300	300
	<u>300</u>	<u>300</u>

25. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits and losses less any distributions made.

26. Capital commitments

At 31 December 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	1,663,848	-
	<u>1,663,848</u>	<u>-</u>

27. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £79,186 (2021 - £59,576). Contributions totalling £21,474 (2021 - £20,378) were payable to the fund at the balance sheet date and are included in creditors.

ZIP WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

28. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	421,986	415,398
Later than 1 year and not later than 5 years	1,160,643	1,333,707
Later than 5 years	6,650,000	6,888,333
	<u>8,232,629</u>	<u>8,637,438</u>

29. Related party transactions

During the year the company purchased goods and services worth £148,269 (2021: £126,600) from Snowdonia Services Cyf, a company owned by S W Taylor, a director of the company.

£47,835 (2021: £nil) of monitoring fee costs were incurred in the year from LDC (Managers) Limited, a company related to investors in the Group. There was £4,784 (2021: £nil) included in trade creditors at 31 December 2022.

£94,460 (2021: £94,460) is owed to the Company at 31 December 2022 by Zip World Adventure Hotel Limited, a company that is 50% owned by the Company. The loan is interest free and repayable on demand.

30. Post balance sheet events

During 2023 the Company elected to hive-up the trade and assets of Treetop Trek Limited, a company within the Group that was acquired in 2022. The Company also opened a new ride at its Penrhyn Quarry site.

31. Controlling party

The immediate parent company is Zip World Group Holdings Limited. ZWPV Limited is the ultimate parent company, a company incorporated in the United Kingdom.

At 31 December 2022 ZWPV Limited is the smallest and largest group company to consolidate these financial statements. Copies of the financial statements can be obtained from the Company Secretary at Zip World Base Camp, Denbigh Street, Llanrwst, LL26 0LL.

Due to the shareholdings in place at ZWPV Limited, the directors consider Sean Taylor to be the ultimate controlling party.