

Registered number: 11105554

ZIP WORLD GROUP HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



ZIP WORLD GROUP HOLDINGS LIMITED

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ZIP WORLD GROUP HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | D J Stacey S W Taylor |
| Registered number | 11105554 |
| Registered office | Zip World Base Camp Denbigh Street Llanrwst Conwy LL26 0LL |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW |

ZIP WORLD GROUP HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report of Zip World Group Holdings Limited (the "Company") for the year ended 31 December 2019.

Review of the business and future developments

On 24 December 2018, the entire issued share capital of Zip World Group Holdings Limited was acquired by ZWPV Limited in a management buy-out backed by LDC, supported by senior debt facilities provided by HSBC. The investment from LDC will support the business in the next phase of growth and the additional resources to underpin the development of the business.

At year end, the Company acts as an intermediate holding company and the management currently have no interest to recommend any activity.

As at 31 December 2019, the Company had net assets of £300 (2018: £300).

Principal risks and uncertainties

As the Company is an intermediate holding company, the principal risks and uncertainties are minimal. The Directors' see no significant risks and uncertainties.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board and signed on its behalf by:


S W Taylor
Director

Date: 25/4/2020

ZIP WORLD GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of Zip World Group Holdings Limited (the "Company") for the year ended 31 December 2019.

Principal activity

The principal activity of the Company during the period was that of a holding Company. The Company is incorporated in England and Wales with a Company registration number of 11105554.

Results and dividends

The results for the year are set out on page 8. The profit for the financial year amounted to £2,000,000 (2018: £Nil)

During the year, the directors declared and paid a dividend of £2,000,000 (2018: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

D J Stacey
S W Taylor
E S Owen Davies (resigned 27 September 2019)

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.

Financial risk management

Given the nature of the business, the company is not exposed to any significant financial risks.

Future developments

An indication of the likely future development of the business is included in the Strategic report on page 2.

Going concern

The Company is a subsidiary of ZWPV Limited (the "Group") and the Group is financed through bank and shareholder debt and at an operating level is cash generative. The Group has prepared detailed forecasts for the next 12 month period ended 30 September 2021, including assessing sensitivities which consider the impact of Covid-19, which show that it is expected to continue to be profitable at an EBITDA level and cash generative at an operating activity level for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on a going concern basis.

ZIP WORLD GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements 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). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

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

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 and signed on its behalf by:


S W Taylor
Director

Date:

25/11/2020

ZIP WORLD GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD GROUP HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, ZIP World Group Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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 2019; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

ZIP WORLD GROUP HOLDINGS LIMITED

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

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.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 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.

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

ZIP WORLD GROUP HOLDINGS LIMITED

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

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 and Statutory Auditors
Cardiff
Date: 25 September 2020.

ZIP WORLD GROUP HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|-----------|
| Income from shares in group undertakings | | 2,000,000 | - |
| Profit before tax | | 2,000,000 | - |
| Tax on profit | 6 | - | - |
| Profit for the financial year | | 2,000,000 | - |
| Total comprehensive income for the year | | 2,000,000 | - |

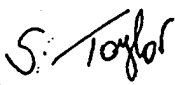
The notes on pages 11 to 15 form part of these financial statements.

ZIP WORLD GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 11105554

BALANCE SHEET
AS AT 31 DECEMBER 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------|------------|
| Fixed assets | | | |
| Investments | 8 | 300 | 300 |
| Total assets less current liabilities | | <u>300</u> | <u>300</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 300 | 300 |
| Total shareholders' funds | | <u>300</u> | <u>300</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S W Taylor
Director

Date: 25/9/2020

The notes on pages 11 to 15 form part of these financial statements.

ZIP WORLD GROUP HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | Called up share capital £ | Profit and loss account £ | Total shareholders' funds £ |
|---|--|--|--|
| On Incorporation | - | - | - |
| Contributions by and distributions to owners | | | |
| Shares issued during the financial period | 300 | - | 300 |
| Total transactions with owners | <u>300</u> | <u>-</u> | <u>300</u> |
| At 31 December 2018 and 1 January 2019 | <u>300</u> | <u>-</u> | <u>300</u> |
| Comprehensive income for the year | | | |
| Profit for the year | - | 2,000,000 | 2,000,000 |
| Total comprehensive income for the year | <u>-</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| Contributions by and distributions to owners | | | |
| Dividends: Equity capital | - | (2,000,000) | (2,000,000) |
| Total transactions with owners | <u>-</u> | <u>(2,000,000)</u> | <u>(2,000,000)</u> |
| At 31 December 2019 | <u><u>300</u></u> | <u><u>-</u></u> | <u><u>300</u></u> |

The notes on pages 11 to 15 form part of these financial statements:

ZIP WORLD GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The principal activity of Zip World Group Holdings Limited (the "Company") is that of a holding company.

The Company is incorporated and domiciled in United Kingdom. Its registered office is Zip World Base Camp, Denbigh Street, Llanrwst, Conwy, LL26 0LL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, 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 judgement in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

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.

This information is included in the consolidated financial statements of ZWPV Limited as at 31 December 2019 and these financial statements may be obtained from the Company Secretary at Zip World Base Camp, Denbigh Street, Llanrwst 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 an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Going concern

The Company is a subsidiary of ZWPV Limited (the "Group") and the Group is financed through bank and shareholder debt and at an operating level is cash generative. The Group has prepared detailed forecasts for the next 12 month period ended 30 September 2021, including assessing sensitivities which consider the impact of Covid-19, which show that it is expected to continue to be profitable at an EBITDA level and cash generative at an operating activity level for the foreseeable future and that the Group has the ability to remain within its committed lending facilities. Therefore the directors have prepared the financial statements on a going concern basis.

ZIP WORLD GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements 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.

4. Auditors' remuneration

Auditors remuneration of £2,000 (2018: £2,000) is borne by another group company.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018: £Nil).

6. Tax on profit

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------|-----------|
| Current tax on profits for the year | - | - |
| Total current tax | - | - |

ZIP WORLD GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - the same as) the standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | 2,000,000 | - |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%) | 380,000 | - |
| Effects of: | | |
| Non-taxable income | (380,000) | - |
| Total tax charge for the financial year | - | - |

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted on 7 September 2016 to reduce the main rate of Corporation tax to 17% from 1 April 2020 and deferred tax balances at the Balance Sheet date have been measured using this rate.

Subsequent to the Balance Sheet date, a further change was substantively enacted on 17 March, 2020 to maintain the rate at 19%.

7. Dividends

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Dividend equivalent to £66.67 (2018: £Nil) per £1 share | 2,000,000 | - |

ZIP WORLD GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. Investments

| | Investments in subsidiary companies £ |
|-----------------------|--|
| Cost | |
| At 1 January 2019 | 300 |
| At 31 December 2019 | <u>300</u> |
| Net book value | |
| At 31 December 2019 | <u>300</u> |
| At 31 December 2018 | <u>300</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Principal activity | Class of shares | Holding |
|----------------------------|---|---------------------------|------------------------|----------------|
| Zip World Limited | Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL | Adventure activities | Ordinary | 100% |
| Zip World Fforest Limited* | 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% |

*Held indirectly

ZIP WORLD GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Called up share capital

| | 2019 | 2018 |
|---|-------------|-------------|
| | £ | £ |
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 30,000 (2018: 30,000) Ordinary shares of £0.01 (2018: £0.01) each | 300 | 300 |

10. Reserves

Profit and loss account

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

11. Ultimate parent undertaking and controlling party

ZWPV Limited is the immediate and ultimate parent company.

At 31 December 2019, ZWPV Limited is the smallest and largest group company to consolidate these financial statements. Copies of the consolidated 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.