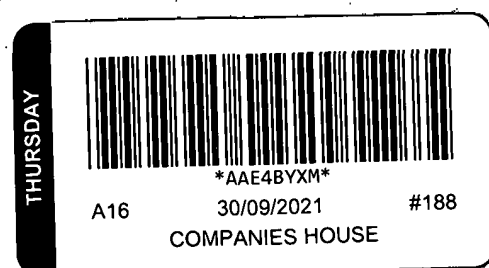


**Registered number: 11639745**

**ZWPV LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



## **ZWPV LIMITED**

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## **ZWPV LIMITED**

### **COMPANY INFORMATION**

#### **Directors**

D A Hughes  
A L Pendleton  
D J Stacey  
S W Taylor  
G A Thorley  
E S Evans  
A S Hudson

#### **Registered number**

11639745

#### **Registered office**

Zip World Base Camp  
Denbigh Street  
Llanrwst  
LL26 0LL

#### **Independent auditors**

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

## **ZWPV LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present the Strategic Report of ZWPV Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2020.

#### **Review of the business and future developments**

The Group's EBITDA before exceptional charges was £2.2m (2019: £5.4m) on turnover of £8.3m (2019: £15.6m). The Group's loss for the financial year was £6.6m (2019: £4.0m). Exceptional charges of £0.4m (2019: £0.5m) were principally costs incurred in relation to an aborted contract opportunity and HR related costs.

The net liabilities of the Group as at 31 December 2020 were £10.1m (2019: £3.6m).

The business closed in line with Government legislation for the Covid-19 lockdown periods with a material impact on turnover. The management team reacted quickly and reduced costs in the business, making use of government support through the CJRS scheme and other applicable grants. Prepaid customer bookings were retained in the business until re-opening and are now being utilised by our customers. Covid-19 safety measures have been introduced where required to ensure both customers and our team have a safe experience.

The strategy of the business moving forward is to grow revenue through a combination of organic growth, new site builds, and acquisitions, as it expands its adventure experiences across the UK.

The new self-build site at 'Tower' near Rhigos, South Wales has been opened to the public from 26 April 2021 being the first new site outside of Zip World's Snowdonia heartland, and includes a Zip Line, Coaster Kart and retail facilities.

The trade and assets of the retail and adventure operations outside of the Zip World core products at the Llechwedd, Blaenau Ffestiniog sites were acquired along with a new 30 year lease from the incumbent landlord. The purchased trade and assets include a Deep Mine tour, retail outlets, and food & beverage outlets.

A hotel in Snowdonia, Tyn Y Coed, is being acquired during 2021, with the transaction on target to complete in October. This will further add to the extent of Zip World's investment in the tourist industry in North Wales.

The Group's focus continues to be providing world class differentiated outdoor adventure experiences. As a Group, we are proud to support the tourism industry and employ people who live local to our attractions. This is part of our ethos to build sustainable, long term quality employment opportunities in the regions where we operate.

#### **Principal risks and uncertainties**

##### **Financial risks**

The Group 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 Group'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 Group's financial instruments are:

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

##### **Liquidity risk**

The Group 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.

## ZWPV LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### *Credit risk*

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

#### *Interest rate risk*

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

#### *Other principal risks*

##### *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 economic fall-out combined with the uncertainties related to Brexit 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 seeking to broaden and adapt its adventure activity offering at various price points to maximize revenue opportunities and increase resilience to COVID 19 changing government social distancing requirements.

##### *Health and safety*

To minimize and manage any Health and Safety risk in relation to the outdoor adventure activities, these considerations are at the forefront of the design and equipment management for each attraction from the outset and are integral to the internal control processes for each site.

##### *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 training and looking after the welfare of its employees to help with staff continuity. We do this through creating a positive working environment, investing in staff and paying above industry average wages.

#### **Key performance indicators**

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

	2020	2019
Revenue	£8.3m	£15.6m
EBITDA before exceptionals	£2.2m	5.6m
Gross margin %	77.3%	67.9%
Average numbers of employees	301	300

## **ZWPV LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **Section 172 (1) Statement**

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 the community 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 between members 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 regularly throughout the year and such decisions are discussed in depth and considerations and conclusions 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 s172 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. The leadership team have regular discussions and activities 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 considered on specific projects, as necessary.

#### **Our Customers**

Our customers have often booked an experience with us to mark a significant occasion, or simply to create a memorable experience for family, friends or colleagues. It is their positive experience which will drive our attainment of being the most recommended experience brand in the world.

Management on-site, and the senior team, regularly engage with our customers on individual sites to get their feedback and listen to any concerns. This feedback is then reflected in decision making and also considered by the Board as appropriate.

#### **Our Investors**

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

#### **Our Suppliers**

Our suppliers play a key part in enabling us to deliver a leading level of product and service to our customers. We seek to choose the best products and services to meet our requirements, and then develop strong, long-term relationships with the suppliers that provide them, to create strong and enduring value over time. We review supplier performance regularly and have a cycle of re-tendering key supply contracts in place 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 all our suppliers are engaged in discussing their corporate and social responsibilities with our team and commit to their continued compliance to the Modern Slavery Act.

## **ZWPV LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **The broader Community & Environment**

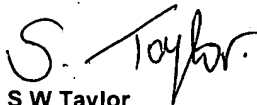
The Board and management are committed to ensuring that our operations are an integral part of the communities in which they sit. Our sites are in rural locations and, as such, we are one of the main sources of regional employment. We recognise our responsibilities in that regard and seek to ensure that we also support the community by sourcing produce locally and supporting local charities and causes where appropriate with the management team on each site encouraged to engage directly with local community needs

The Board are also committed to ensuring that our business considers its impact on the community and environment in its operations considers the practical and tangible ways in which this can be improved and actively monitored.

#### **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, 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.

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



**S W Taylor**  
Director

Date: 29/09/2021

## **ZWPV LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their annual report and the audited consolidated financial statements of ZWPV Limited (the "Company") for the year ended 31 December 2020.

#### **Principal activities**

The principal activity of the Company during the year was that of a holding Company. The Company is incorporated in England and Wales with a company registration number of 11639745. The principal activity of the Group was providing outdoor adventure experiences to customers in the United Kingdom.

#### **Results and dividends**

Results for the financial year and financial position for the Group are shown in the annexed financial statements. The Group's loss for the financial year was £6,582,635 (2019: £4,017,867).

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Directors**

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

D A Hughes  
A L Pendleton  
D J Stacey  
S W Taylor  
G A Thorley  
E S Evans (appointed 9 October 2020)  
A S Hudson (appointed 9 October 2020)

#### **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 Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

#### **Future developments**

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

#### **Financial risk management**

The financial risk management of the Group and Company are described in the Strategic Report on page 2.

#### **Supplier payment policy**

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

## **ZWPV LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **Employee involvement**

The Group systematically 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 its performance.

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

#### **Disabled employees**

The Company recognises its responsibility to employ disabled persons in suitable employment 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.

#### **Matters covered in the strategic report**

The future developments of the Group are discussed in the business review section of the Strategic Report.

#### **Going concern**

The Group has net liabilities of £10.1m (2019: £3.6m) and the Company has net liabilities of £4.6m (2019: £1.0m). The Group and the Company are financed through bank and shareholder debt and the Group is profitable at an EBITDA level and cash generative from its operating activities. The Group has prepared detailed forecasts for the next 12-month period ended 30 September 2021, including assessing severe but plausible sensitivities which consider the impact of Covid-19, which show that it is expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and that the Group and Company has the ability to remain within its committed lending facilities. The Group's bank covenants have been renegotiated and reset in line with the business forecasts. Therefore, the directors have prepared the financial statements on a going concern basis.

#### **Post balance sheet events**

The Group has re-opened its facilities to the public following the various lockdowns, and implemented social distancing and safety measures on 26 April 2021. Customer demand has been strong as a result of pent up demand and the Group's investment in building the brand during lockdown.

The new self-build site at 'Tower' near Rhigos, South Wales has been opened to the public from 26 April 2021 being the first new site outside of Zip World's Snowdonia heartland, and includes a Zip Line, Coaster Kart and retail facilities.

The trade and assets of the retail and adventure operations outside of the Zip World historical demise at the Llechwedd, Blaenau Ffestiniog sites were acquired along with a new 30 year lease from the incumbent landlord on 25 May 2021. The purchased trade and assets include a Deep Mine tour, retail outlets and food & beverage outlets.

A hotel in Snowdonia, Tyn Y Coed, is being acquired during 2021, with the transaction on target to complete in October. This will further add to the extent of Zip World's investment in the tourist industry in North Wales.

## ZWPV LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### SECR (Energy and Carbon Regulations)

The Group is required to report each period on its UK energy use and the associated GHG (Green House Gasses) emissions which are set out in the table below.

	For 52 weeks ending	
	31 December 2020	
		CO2e
	kWh	Tonnes
<b>Fuel types:</b>		
Natural Gas	111,014	25.9
Electricity Grid and Renewable Biogas and Biomass	364,052	84.9
Petrol and Diesel	-	-
	475,066	111
Greenhouse Gas Emissions Intensity Ratio:	-	-
CO2e tonnes per FTE	-	0.54

The Group has either implemented or is looking to limit emissions in the following ways:

- Group-wide targets for energy reduction;
- having designated people around the various group properties reporting energy usage and becoming responsible for usage and efficiency;
- looking to better utilise electric vehicles and investigate providing EV charge points;
- looking into green energy sources to power activities.

#### Statement of directors' responsibilities

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 Group and Company and of the profit or loss of the Group and 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 Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**ZWPV LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Disclosure of information to auditors**

In the case of each director at the time when this Directors' Report is approved has confirmed that:

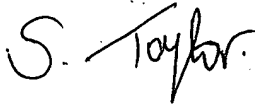
- So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the Company are unaware; and
- Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the Company 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 financial statements with the registrar, whichever is earlier.

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

**S W Taylor**  
Director

A handwritten signature in black ink, appearing to read 'S. Taylor', is written over the printed name 'S W Taylor'.

Date: 29/09/2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZWPV LIMITED

## Report on the audit of the financial statements

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### Opinion

In our opinion, ZWPV Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2020 and of the Group's loss and the Group's cash flows 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: Consolidated and Company Balance Sheets as at 31 December 2020; Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows 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 Group 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 Group's and 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 Group's and 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZWPV LIMITED (CONTINUED)**

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**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.

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 2020 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 Group and Company and their 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 Statement of directors' responsibilities, 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 Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

*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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZWPV LIMITED (CONTINUED)**

Based on our understanding of the Group 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 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 Group's compliance and monitoring of legal and internal control matters;
- Identifying and testing journal entries, in particular those having unusual account combinations involving revenues or other credits to the profit or loss account;
- Inquiring with relevant personnel to understand management's processes for identifying and reporting risks and threats within the Group.

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: [www.frc.org.uk/auditorsresponsibilities](http://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.

ZWPV LIMITED

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

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**Other required reporting**

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**Companies Act 2006 exception reporting**

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

- we have not obtained 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 Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
Date: 30-9-21

**ZWPV LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>Year ended 31 December 2020 £</b>	<b>15 months period ended 31 December 2019. £</b>
	<b>Note</b>		
Turnover	4	8,344,330	15,577,546
Other operating income	5	2,026,987	31,978
Other external charges		(3,918,735)	(5,032,010)
Staff costs	8	(4,278,470)	(5,136,574)
Depreciation and amortisation		(4,934,816)	(5,098,024)
Exceptional operating expenses	10	(439,453)	(522,918)
<b>Operating loss</b>	6	<b>(3,200,157)</b>	<b>(180,002)</b>
Interest receivable and similar income	11	4,122	7,432
Interest payable and similar expenses	12	(3,569,885)	(3,473,596)
<b>Loss before taxation</b>		<b>(6,765,920)</b>	<b>(3,646,166)</b>
Tax on loss	13	183,285	(371,701)
<b>Loss for the financial year/period</b>		<b>(6,582,635)</b>	<b>(4,017,867)</b>
<b>Total comprehensive expense for the financial year/period</b>		<b>(6,582,635)</b>	<b>(4,017,867)</b>
<b>Loss for the financial year/period attributable to:</b>			
Owners of the parent Company		(6,582,635)	(4,017,867)
<b>Total comprehensive expense for the financial year/period attributable to:</b>			
Owners of the parent Company		(6,582,635)	(4,017,867)

The notes on pages 21 to 46 form part of these financial statements.

**ZWPV LIMITED**  
**REGISTERED NUMBER: 11639745**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	14	28,866,887	32,491,175
Tangible assets	15	9,919,512	8,965,495
		<u>38,786,399</u>	<u>41,456,670</u>
<b>Current assets</b>			
Stocks	17	134,111	163,949
Debtors	18	1,644,105	1,229,509
Cash at bank and in hand	19	4,425,548	3,402,452
		<u>6,203,764</u>	<u>4,795,910</u>
Creditors: amounts falling due within one year	20	(2,319,674)	(2,615,481)
<b>Net current assets</b>		<u>3,884,090</u>	<u>2,180,429</u>
<b>Total assets less current liabilities</b>		<u>42,670,489</u>	<u>43,637,099</u>
Creditors: amounts falling due after more than one year	21	(48,268,605)	(45,268,974)
<b>Provisions for liabilities</b>			
Deferred taxation	24	(186,704)	(330,949)
Deferred income	25	(4,348,182)	(1,587,543)
<b>Net liabilities</b>		<u>(10,133,002)</u>	<u>(3,550,367)</u>
<b>Capital and reserves</b>			
Called up share capital	26	28,750	28,750
Share premium account	27	204,750	204,750
Capital redemption reserve	27	40,000	40,000
Merger relief reserve	27	234,000	234,000
Profit and loss account	27	(10,640,502)	(4,057,867)
<b>Total shareholders' deficit</b>		<u>(10,133,002)</u>	<u>(3,550,367)</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: 29/09/2021

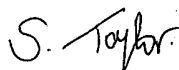
The notes on pages 21 to 46 form part of these financial statements.

ZWPV LIMITED  
REGISTERED NUMBER: 11639745

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	16	42,168,497	42,168,497
<b>Current assets</b>			
Debtors	18	2,277,232	2,651,920
Cash at bank and in hand	19	225,034	51,608
		<u>2,502,266</u>	<u>2,703,528</u>
Creditors: amounts falling due within one year	20	(1,118,497)	(848,552)
<b>Net current assets</b>		<u>1,383,769</u>	<u>1,854,976</u>
<b>Total assets less current liabilities</b>		<u>43,552,266</u>	<u>44,023,473</u>
Creditors: amounts falling due after more than one year	21	(48,118,603)	(45,062,978)
<b>Net liabilities</b>		<u>(4,566,337)</u>	<u>(1,039,505)</u>
<b>Capital and reserves</b>			
Called up share capital	26	28,750	28,750
Share premium account	27	204,750	204,750
Capital redemption reserve	27	40,000	40,000
Merger relief reserve	27	234,000	234,000
Profit and loss account brought forward		(1,547,005)	
Loss for the financial year/period		(3,526,832)	(1,507,005)
Other changes in the profit and loss account		-	(40,000)
Profit and loss account carried forward		<u>(5,073,837)</u>	<u>(1,547,005)</u>
<b>Total shareholders' deficit</b>		<u>(4,566,337)</u>	<u>(1,039,505)</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: 29/09/2021

The notes on pages 21 to 46 form part of these financial statements.

ZWPV LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total shareholders' deficit £
On incorporation	-	-	-	-	-	-	-
Comprehensive expense for the financial period							
Loss for the financial period	-	-	-	-	(4,017,867)	(4,017,867)	(4,017,867)
Total comprehensive expense for the financial period	-	-	-	-	(4,017,867)	(4,017,867)	(4,017,867)
Contributions by and distributions to owners							
Purchase of own shares	-	-	40,000	-	(40,000)	-	-
Shares issued during the period	28,750	204,750	-	-	-	233,500	233,500
Arising on issue of shares on acquisition	-	-	-	234,000	-	234,000	234,000
Total transactions with owners	28,750	204,750	40,000	234,000	(40,000)	467,500	467,500
At 31 December 2019 and 1 January 2020	28,750	204,750	40,000	234,000	(4,057,867)	(3,550,367)	(3,550,367)
Comprehensive expense for the financial year							
Loss for the financial year	-	-	-	-	(6,582,635)	(6,582,635)	(6,582,635)
Total comprehensive expense for the financial year	-	-	-	-	(6,582,635)	(6,582,635)	(6,582,635)
At 31 December 2020	28,750	204,750	40,000	234,000	(10,640,502)	(10,133,002)	(10,133,002)

The notes on pages 21 to 46 form part of these financial statements.

**ZWPV LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total shareholders' deficit £
On incorporation	-	-	-	-	-	-
Comprehensive expense for the financial period						
Loss for the financial period	-	-	-	-	(1,507,005)	(1,507,005)
<b>Total comprehensive expense for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,507,005)</b>	<b>(1,507,005)</b>
Contributions by and distributions to owners						
Purchase of own shares	-	-	40,000	-	(40,000)	-
Shares issued during the period	28,750	204,750	-	-	-	233,500
Arising on issue of shares on acquisition	-	-	-	234,000	-	234,000
<b>Total transactions with owners</b>	<b>28,750</b>	<b>204,750</b>	<b>40,000</b>	<b>234,000</b>	<b>(40,000)</b>	<b>467,500</b>
<b>At 31 December 2019 and 1 January 2020</b>	<b>28,750</b>	<b>204,750</b>	<b>40,000</b>	<b>234,000</b>	<b>(1,547,005)</b>	<b>(1,039,505)</b>
Comprehensive income for the financial year						
Loss for the financial year	-	-	-	-	(3,526,832)	(3,526,832)
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,526,832)</b>	<b>(3,526,832)</b>
<b>At 31 December 2020</b>	<b>28,750</b>	<b>204,750</b>	<b>40,000</b>	<b>234,000</b>	<b>(5,073,837)</b>	<b>(4,566,337)</b>

The notes on pages 21 to 46 form part of these financial statements.

**ZWPV LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year/period	(6,582,635)	(4,017,867)
<b>Adjustments for:</b>		
Taxation charge	(183,285)	371,701
Interest payable	3,569,885	3,473,596
Interest receivable	(4,122)	(7,432)
Release of debt fees	236,809	-
Amortisation of intangible assets	3,624,288	3,666,530
Depreciation of tangible assets	1,301,893	1,431,494
Profit on disposal of tangible assets	20,046	(171)
Decrease in stocks	29,838	24,289
Increase in debtors	(415,294)	(588,921)
Increase/(decrease) in creditors	2,243,600	(1,606,394)
Corporation tax paid	(154,993)	(609,521)
<b>Net cash generated from operating activities</b>	<b>3,686,030</b>	<b>2,137,304</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(2,275,956)	(1,271,486)
Sale of tangible assets	-	64,562
Acquisition of subsidiary companies, net of cash received	-	(23,412,317)
Interest received	4,122	7,432
HP interest paid	(3,207)	(3,207)
<b>Net cash used in investing activities</b>	<b>(2,275,041)</b>	<b>(24,615,016)</b>
<b>Cash flows from financing activities</b>		
Issue of share capital	-	400,000
Purchase of preference shares	-	(40,000)
New bank loans	1,575,000	13,130,377
Repayment of loans	(1,262,179)	(466,667)
Other new loans	-	13,661,933
Repayment of finance leases	(11,186)	(11,185)
Interest paid	(689,528)	(794,294)
<b>Net cash (used in)/raised from financing activities</b>	<b>(387,893)</b>	<b>25,880,164</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,023,096</b>	<b>3,402,452</b>

**ZWPV LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Cash and cash equivalents on incorporation	<b>3,402,452</b>	-
<b>Cash and cash equivalents at the end of financial year/period</b>	<b>4,425,548</b>	<b>3,402,452</b>
<b>Cash and cash equivalents at the end of financial year/period comprise:</b>		
Cash at bank and in hand	<b>4,425,548</b>	<b>3,402,452</b>

## ZWPV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. General information

ZWPV Limited (the "Company") and its subsidiaries (together the "Group") is a private company limited by shares and is incorporated and domiciled in England & Wales. The address of its registered office is ZIP World Base Camp, Denbigh Street, Llanrwst, LL26 0LL.

The principal activity of the Group is the operation of adventure experience activities.

The Company was incorporated on 24 October 2018 to facilitate investment in the Group which was acquired on 24 December 2018. As such, prior period comparatives in these financial statements present the result of the Company from the date of incorporation to 31 December 2019 and the results of the Group from the date of acquisition to 31 December 2019.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on 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 Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 these consolidated financial statements.

## **ZWPV LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Accounting policies (continued)**

##### **2.3 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.4 Going concern**

The Group has net liabilities of £10.1m (2019: £3.6m) and the Company has net liabilities of £4.6m (2019: £1.0m). The Group and the Company are financed through bank and shareholder debt and the Group is profitable at an EBITDA level and cash generative from its operating activities. The Group has prepared detailed forecasts for the next 12-month period ended 30 September 2021, including assessing severe but plausible sensitivities which consider the impact of Covid-19, which show that it is expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and that the Group and Company has the ability to remain within its committed lending facilities. The Group's bank covenants have been renegotiated and reset in line with the business forecasts. Therefore, the directors have 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.6 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover 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 Group as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.8 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.9 Government grants**

Grants related to expenditure on tangible assets are credited to the income statement over the useful lives of qualifying assets. Grants related to revenue are credited to the income statement in line with the timing of when costs associated with the grants are incurred.

**2.10 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income 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.

## **ZWPV LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **2. Accounting policies (continued)**

##### **2.12 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

##### **2.13 Pensions**

###### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

##### **2.14 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 and the Group operate and generate 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 Group 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.

##### **2.15 Exceptional items**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.16 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 the Group's share 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 Consolidated 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

**2.17 Tangible assets**

Tangible 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 Group 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 Group. 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.

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:

Freehold property	- 4%
Plant and machinery	- 10% to 25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.18 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.19 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.20 Associates and joint ventures**

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

**2.21 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase on a first in, first out basis.

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 sell. The impairment loss is recognised immediately in profit or loss.

**2.22 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.23 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.24 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.

**2.25 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group 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 Group 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.

**2.26 Financial instruments**

The Group 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 Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.26 Financial instruments (continued)**

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.

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.

**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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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 are:

***Fair value of assets and liabilities acquired in a business combination***

Management are required to assess, within one year of the date of acquisition, whether the book values of assets and liabilities acquired as part of a business combination reflect the fair value of those assets. Any adjustment to the book values will have a consequential impact on the level of goodwill arising on acquisition and therefore the annual goodwill amortisation charge.

***Goodwill amortisation***

Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years. The appropriateness of the amortisation rate is assessed annually by management.

***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 Group are considered a source of estimation uncertainty. See note 14 for the carrying amount of the intangible assets and note 2.16 for the economic useful lives for each class of intangible assets. See note 15 for the carrying amount of the tangible assets and note 2.17 for the economic useful lives for each class of tangible assets.

## ZWPV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4. Turnover

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

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Adventure sales	7,381,171	13,446,159
Sale of goods	926,585	2,004,554
Other sales	36,574	126,832
	<u>8,344,330</u>	<u>15,577,545</u>

All turnover arose within the United Kingdom.

#### 5. Other operating income

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Other operating income	33,209	9,574
Government grants receivable	22,404	22,404
Revenue grants	510,093	-
Furlough scheme grant	1,461,281	-
	<u>2,026,987</u>	<u>31,978</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.

# ZWPV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 6. Operating loss

The operating loss is stated after charging/(crediting):

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Depreciation of tangible assets	1,301,893	1,431,494
Amortisation of intangible assets	3,666,527	3,666,530
Exchange differences	(10,843)	1,524
Other operating lease rentals	973,640	1,623,074
	<u>973,640</u>	<u>1,623,074</u>

### 7. Auditors' remuneration

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Fees payable to the Company's auditors for the audit of the Company and the Group's consolidated financial statements	15,000	20,500
<b>Fees payable to the Company's auditor for other services:</b>		
The audit of the Company's subsidiaries	22,000	28,500
Taxation compliance services	30,000	37,000
Other services relating to taxation	16,000	98,750
All other services	7,550	7,190
	<u>75,550</u>	<u>171,440</u>

### 8. Employees

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	3,860,175	4,750,173	-	743,194
Social security costs	272,295	318,171	-	97,234
Cost of defined contribution scheme	145,999	68,230	-	21,942
	<u>4,278,469</u>	<u>5,136,574</u>	<u>-</u>	<u>862,370</u>

## ZWPV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 8. Employees (continued)

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

	Group Year ended 31 December 2020	Group 15 months period ended 31 December 2019	Company Year ended 31 December 2020	Company 15 months period ended 31 December 2019
	Number	Number	Number	Number
Operations	301	300	5	6

The average number of full time equivalent employees during the year was 204 (2019: 93).

#### 9. Directors' remuneration

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Directors' emoluments	453,072	743,194
Company contributions to defined contribution pension schemes	58,313	21,942
Amounts paid to third parties in respect of directors' services	96,591	40,700
	<b>607,976</b>	<b>805,836</b>

During the year retirement benefits were accruing to 4 directors (2019: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £149,793 (2019: £271,956).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £80,000 (2019: £13,125).

During the year remuneration of £453,972 (2019: £743,194) was paid to key management personnel who are considered to be the directors.

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. Exceptional operating expenses**

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Discontinued projects	231,621	22,635
Professional fees in relation to the acquisition of Zip World Group Holdings Limited by ZWPV Limited	10,910	215,037
Costs associated with historical rental arrears	-	285,246
HR related costs for team restructure	86,143	-
New site pre-launch costs and R&D	29,500	-
Costs associated with coronavirus lockdown	81,279	-
	<u>439,453</u>	<u>522,918</u>

**11. Interest receivable and similar income**

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Other interest receivable	<u>4,122</u>	<u>7,432</u>

**12. Interest payable and similar expenses**

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Bank interest payable	950,347	1,019,453
Other loan interest payable	2,616,331	2,450,937
Finance leases and hire purchase contracts	3,207	3,207
	<u>3,569,885</u>	<u>3,473,597</u>

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Tax on loss**

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
<b>Corporation tax</b>		
Current tax on loss for the financial year/period	(39,040)	301,922
Adjustments in respect of prior periods	-	(41,639)
<b>Total current tax</b>	<b>(39,040)</b>	<b>260,283</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(184,014)	89,920
Effect of changes in tax rates	39,023	(9,465)
Adjustments in respect of prior periods	746	30,963
<b>Total deferred tax</b>	<b>(144,245)</b>	<b>111,418</b>
<b>Total tax</b>	<b>(183,285)</b>	<b>371,701</b>

# ZWPV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 13. Tax on loss (continued)

#### Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2020 £	15 months period ended 31 December 2019 £
Loss before taxation	(6,765,920)	(3,646,166)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(1,285,525)	(692,772)
Effects of:		
Expenses not deductible for tax purposes	1,004,128	1,084,614
Adjustments in respect of prior periods	(38,294)	(10,676)
Tax rate changes	39,023	(9,465)
Deferred tax not recognised	97,383	-
<b>Total tax charge for the financial year/period</b>	<b>(183,285)</b>	<b>371,701</b>

#### Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. Intangible assets**

**Group**

	<b>Website £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2020	74,093	36,083,612	36,157,705
At 31 December 2020	74,093	36,083,612	36,157,705
<b>Accumulated amortisation</b>			
At 1 January 2020	58,169	3,608,361	3,666,530
Charge for the year	15,924	3,608,364	3,624,288
At 31 December 2020	74,093	7,216,725	7,290,818
<b>Net book value</b>			
At 31 December 2020	-	28,866,887	28,866,887
At 31 December 2019	15,924	32,475,251	32,491,175

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Tangible assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Asset in construction £	Total £
<b>Cost</b>						
At 1 January 2020	3,627,767	5,537,196	169,263	975,877	71,932	10,382,035
Additions	20,804	155,225	16,761	108,231	1,974,935	2,275,956
Disposals	-	-	-	(24,640)	-	(24,640)
At 31 December 2020	3,648,571	5,692,421	186,024	1,059,468	2,046,867	12,633,351
<b>Accumulated depreciation</b>						
At 1 January 2020	142,656	874,464	45,956	353,464	-	1,416,540
Charge for the year	141,181	803,643	45,869	303,169	8,031	1,301,893
Disposals	-	-	-	(4,594)	-	(4,594)
At 31 December 2020	283,837	1,678,107	91,825	652,039	8,031	2,713,839
<b>Net book value</b>						
At 31 December 2020	3,364,734	4,014,314	94,199	407,429	2,038,836	9,919,512
At 31 December 2019	3,485,111	4,662,732	123,307	622,413	71,932	8,965,495

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. Tangible assets (continued)**

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

	2020 £	2019 £
Motor vehicles	<u>21,442</u>	<u>35,736</u>

**16. Investments**

**Group**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	4
At 31 December 2020	<u>4</u>
<b>Accumulated impairment</b>	
At 1 January 2020	4
At 31 December 2020	<u>4</u>
<b>Net book value</b>	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**16. Investments (continued)**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2020	42,168,497
At 31 December 2020	<u>42,168,497</u>
<b>Net book value</b>	
At 31 December 2020	<u><u>42,168,497</u></u>
At 31 December 2019	<u><u>42,168,497</u></u>

**Direct subsidiary undertaking**

The following was a direct subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
ZIP World Group Holdings Limited	Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Holding company	Ordinary	100%

**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
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%

# ZWPV LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 16. Investments (continued)

#### Joint venture

The following was a joint venture of the Company:

Name	Registered office	Principal activity	Holding
ZIP World Adventure Hotel Limited	Zip World Base Camp, Denbigh Street. Llanrwst, Wales, LL26 0LL.	Development of building projects	50%

### 17. Stocks

	Group 2020 £	Group 2019 £
Finished goods and goods for resale	<u>134,111</u>	<u>163,949</u>

### 18. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts owed by group undertakings	-	-	2,270,987	2,634,241
Amounts owed by joint ventures and associated undertakings	94,460	94,460	-	-
Other debtors	605,951	447,629	6,245	16,245
Prepayments and accrued income	767,902	510,930	-	1,434
Tax recoverable	175,792	176,490	-	-
	<u>1,644,105</u>	<u>1,229,509</u>	<u>2,277,232</u>	<u>2,651,920</u>

### 19. Cash at bank and in hand

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>4,425,548</u>	<u>3,402,452</u>	<u>225,034</u>	<u>51,608</u>

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. Creditors: amounts falling due within one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	1,038,497	845,252	1,038,497	845,252
Other loans	-	18,686	-	-
Trade creditors	326,840	217,640	-	-
Amounts owed to group undertakings	-	-	-	300
Corporation tax	-	194,731	-	-
Taxation and social security	56,866	450,092	-	-
Obligations under finance lease and hire purchase contracts	11,186	11,186	-	-
Other creditors	53,123	44,564	-	-
Accruals and deferred income	833,162	833,330	80,000	3,000
	<u>2,319,674</u>	<u>2,615,481</u>	<u>1,118,497</u>	<u>848,552</u>

Details of loans are provided in note 22.

**21. Creditors: amounts falling due after more than one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	12,536,699	12,075,150	12,536,699	12,075,150
Other loans	19,312,695	17,960,598	19,312,695	17,960,598
Net obligations under finance leases and hire purchase contracts	30,551	41,737	-	-
Other creditors	15,000	15,000	15,000	15,000
Government grants received	119,451	164,259	-	-
Accruals and deferred income	2,394,709	1,152,730	2,394,709	1,152,730
Share capital treated as debt	13,859,500	13,859,500	13,859,500	13,859,500
	<u>48,268,605</u>	<u>45,268,974</u>	<u>48,118,603</u>	<u>45,062,978</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 26.

Disclosure of the terms and conditions attached to the non-equity shares is made in note 26.

Details of loans are provided in note 22.

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**22. Loans**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	1,038,497	845,252	1,038,497	845,252
Other loans	-	18,686	-	-
	<u>1,038,497</u>	<u>863,938</u>	<u>1,038,497</u>	<u>845,252</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	12,536,699	12,075,150	12,536,699	12,075,150
Other loans	15,972,039	14,781,281	15,972,039	14,781,281
	<u>28,508,738</u>	<u>26,856,431</u>	<u>28,508,738</u>	<u>26,856,431</u>
<b>Amounts falling due after more than 5 years</b>				
Other loans	3,340,656	3,179,317	3,340,656	3,179,317
	<u>3,340,656</u>	<u>3,179,317</u>	<u>3,340,656</u>	<u>3,179,317</u>
	<u><b>32,887,891</b></u>	<u><b>30,899,686</b></u>	<u><b>32,887,891</b></u>	<u><b>30,881,000</b></u>

Bank loans are interest bearing at a margin between 2.75% to 4% over LIBOR and are repayable partly by installments until December 2023 and £10 million payable in one amount at that time as well.

Other loans principally comprise:

- £3 million (2019: £3 million) vendor loan notes, plus accrued interest of £360,963 (2019: £179,317), which are repayable in full on 24 December 2026 or earlier in the event of a listing or sale of the business. Interest accrues at a margin of 5% over LIBOR and is repayable at the same time the loan notes are redeemed.
- £7,986,020 (2019: £7,390,640) in respect of A1 secured loan notes and £7,986,020 (2019: £7,360,640) in respect of A2 unsecured loan notes, which both attract interest at a fixed rate per annum of 8% and both are repayable in full in December 2023. 50% of interest is payable quarterly starting in March 2020 with the remainder being repayable at the same time as the loan notes are redeemed.

The bank loans are secured on the assets of the Group by means of a fixed and floating debenture charge.

The A1 secured loan notes are secured by means of a fixed and floating mortgage charge on the assets of the Group.

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	11,186	11,186
Between 1-5 years	30,551	41,737
	<u>41,737</u>	<u>52,923</u>

**24. Deferred taxation**

**Group**

	2020 £
At beginning of year	330,949
Charged to profit or loss	(144,991)
Arising on business combinations	-
Utilised in year	746
<b>At end of year</b>	<u><b>186,704</b></u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	379,159	333,552
Short- term timing differences - trading	(192,455)	(2,603)
	<u>186,704</u>	<u>330,949</u>

**25. Deferred income**

	Group 2020 £	Group 2019 £
Deferred income	<u>4,348,182</u>	<u>1,587,543</u>

## ZWPV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 26. Called up share capital

	2020 £	2019 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
200,000 (2019: 200,000) A Ordinary shares of £0.01 (2019: £0.01) each	2,000	2,000
200,000 (2019: 200,000) B Ordinary shares of £0.10 (2019: £0.10) each	20,000	20,000
67,500 (2019: 67,500) C Ordinary shares of £0.10 (2019: £0.10) each	6,750	6,750
	<u>28,750</u>	<u>28,750</u>
	2020 £	2019 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
13,859,500 (2019: 13,859,500) Preference shares of £1.00 (2019: £1.00) each	<u>13,859,500</u>	<u>13,859,500</u>

The shares of the Company carry the following key rights:

#### ***Voting***

Holders of A and B ordinary shares are entitled to receive notice of, attend, speak and vote at General Meetings of the Company, save that the voting rights of one specified shareholder and its associates are limited to 44.8% of the total voting rights.

#### ***Appointment of directors***

The holders of the A ordinary shares are entitled to appoint up to two persons and the holders of the B ordinary shares are entitled to appoint one person to the Board of Directors.

Other directors can be appointed with the approval of a majority of the members entitled to vote at a General Meeting.

#### ***Dividends***

The preference shares attract a fixed cumulative dividend of 8% per annum, of which up to 50% is payable in quarterly installments from 1 January 2020 with the remainder payable on an exit event or the redemption of the loan notes issued by the Company.

Dividends will not be payable to holders of the A, B or C ordinary shares until the preference dividend has been paid in full and even then, subject to constraints stipulated in the Articles of Association. If such a dividend is made the three classes of ordinary shares will rank pari-passu.

#### ***Return of capital***

The preference share holders have the first right of return of any distribution of capital by the Company. Thereafter, priority is given to the A and B ordinary shareholders (ranking pari-passu) and then the C ordinary shareholders. Any residual capital is then distributable to the A, B and C ordinary shareholders (ranking pari-passu).

## ZWPV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 27. Reserves

##### Share premium account

The share premium account represents amounts raised on the initial allotment of share capital in excess of the nominal value of shares issued, less any costs directly attributable to the issue of that share capital.

##### Capital redemption reserve

The capital redemption reserve represents the nominal value of shares previously issued by the Company and subsequently repurchased.

##### Merger relief reserve

The merger relief reserve represents the difference between the nominal value of the shares issued and the fair value of consideration received in respect of shares issued by the Company as part of the consideration to acquire at least a 90% equity holding in another company.

##### Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group and Company.

#### 28. Analysis of net debt

	At 1 January 2020 £	Cash flows £	Repayment of finance leases £	At 31 December 2020 £
Cash at bank and in hand	3,402,452	1,023,096	-	4,425,548
Debt due after 1 year	(43,895,248)	(4,208,355)	-	(48,103,603)
Debt due within 1 year	(863,938)	(174,559)	-	(1,038,497)
Finance leases	(52,922)	-	11,185	(41,737)
	<u>(41,409,656)</u>	<u>(3,359,818)</u>	<u>11,185</u>	<u>(44,758,289)</u>

#### 29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £145,999 (2019: £68,230). Contributions totaling £Nil (2019: £15,585) were payable to the fund at the Balance Sheet date and are included in creditors.

## ZWPV LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 30. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following years/periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	37,175	83,003
Later than 1 year and not later than 5 years	84,094	64,386
	<u>121,269</u>	<u>147,389</u>

#### 31. Related party transactions

During the year the Group purchased goods and services worth £Nil (2019: £80,686) from Snowdonia Services Cyf, a company owned by S W Taylor, a director of the Group.

Various directors subscribed for £Nil (2019: £13,899,500) of preference share capital issued by the Group. Interest of £1,243,927 (2019: £1,152,272) accrued on these shares during the year.

The Company repurchased £Nil (2019: £40,000) of preference share capital during the year from E S Owen Davies, a former director of the Group.

Lloyds Development Capital ("LDC"), a significant shareholder in the Group, charged the Group £13,500 (2019: £45,000) in respect of investment monitoring fees in the year.

LDC also subscribed for £Nil (2019: £13,707,000) of A1 and A2 loan notes issued by the Group. Interest charges of £1,190,758 (2019: £1,119,348) accrued under the effective interest rate method during the year.

£94,460 (2019: £94,460) is owed to the Group as at 31 December 2020 by Zip World Adventure Hotel Ltd, a company which is 50% owned by the Group. The loan is interest free and repayable on demand.

#### 32. Post balance sheet events

The Group has re-opened its facilities to the public following the various lockdowns, and implemented social distancing and safety measures on 26 April 2021. Customer demand has been strong as a result of pent up demand and the Group's investment in building the brand during lockdown.

The new self-build site at 'Tower' near Rhigos, South Wales has been opened to the public from 26 April 2021 being the first new site outside of Zip World's Snowdonia heartland, and includes a Zip Line, Coaster Kart and retail facilities.

The trade and assets of the retail and adventure operations outside of the Zip World historical demise at the Llechwedd, Blaenau Ffestiniog sites were acquired along with a new 30 year lease from the incumbent landlord on 25 May 2021. The purchased trade and assets include a Deep Mine tour, retail outlets and food & beverage outlets.

A hotel in Snowdonia, Tyn Y Coed, is being acquired during 2021, with the transaction on target to complete in October. This will further add to the extent of Zip World's investment in the tourist industry in North Wales.

**ZWPV LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**33. Ultimate parent undertaking and controlling party**

ZWPV Limited is the smallest and largest group to prepare consolidated financial statements incorporating the Company.

The Company recognised S Taylor as the ultimate controlling party by virtue of his shareholding in the Company.