

**Registered number: 05888387**

**ZIP WORLD FFOREST LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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# **ZIP WORLD FFOREST LTD**

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## **ZIP WORLD FFOREST LTD**

### **COMPANY INFORMATION**

**Directors**

S W Taylor  
M J Shaylor (appointed 1 September 2016)  
N S Moriarty (appointed 1 September 2016)

**Registered number**

05888387

**Registered office**

Zip World Base Camp  
Denbigh Street  
Llanrwst  
LL26 0LL

**Independent auditors**

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

## **ZIP WORLD FFOREST LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the audited financial statements of Zip World Fforest Ltd (the "Company") for the year ended 31 December 2016.

#### **Directors**

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

S W Taylor  
M J Shaylor (appointed 1 September 2016)  
N S Moriarty (appointed 1 September 2016)

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

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

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

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**ZIP WORLD FFOREST LTD**

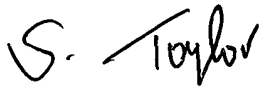
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Small companies note**

In preparing this report, the directors have taken advantage of the small Companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on 13 September 2017 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 of the director.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD FFOREST LTD**

**Report on the financial statements**

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**Our opinion**

In our opinion, Zip World Fforest Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

**What we have audited**

The financial statements, included within in the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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**Opinions on other matters prescribed by the Companies Act 2006**

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

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

In addition, in light of the knowledge and understanding of, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

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**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD FFOREST LTD**

**Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD FFOREST LTD**

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

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**Other matter**

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The financial statements for the year ended 31 December 2015, forming the corresponding figures of the financial statements for the year ended 31 December 2016, are unaudited.



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

Cardiff

13 September 2017



**ZIP WORLD FFOREST LTD**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	Unaudited 2015 £
Turnover	665,732	415,712
Other operating income	8,346	6,227
Other external charges	(129,506)	(127,657)
Staff costs	(252,916)	(129,380)
Depreciation and amortisation	(112,639)	(50,676)
<b>Operating profit</b>	<b>179,017</b>	<b>114,226</b>
Interest receivable and similar income	891	1,118
Interest payable and similar expenses	-	(3,012)
<b>Profit before tax</b>	<b>179,908</b>	<b>112,332</b>
Tax on profit on ordinary activities	(37,129)	(30,926)
<b>Profit for the financial year</b>	<b>142,779</b>	<b>81,406</b>
 <b>Total comprehensive income for the year</b>	 <b>142,779</b>	 <b>81,406</b>

The notes on pages 10 to 16 form part of these financial statements.

**ZIP WORLD FFOREST LTD**  
**REGISTERED NUMBER: 05888387**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

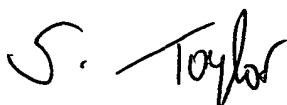
	Note	2016 £	2016 £	Unaudited 2015 £	Unaudited 2015 £
<b>Fixed assets</b>					
Tangible assets	4		1,041,569		112,207
<b>Current assets</b>					
Stocks	5	4,598		-	
Debtors: amounts falling due within one year	6	39,874		52,214	
Cash at bank and in hand		546,527		518,647	
		<u>590,999</u>		<u>570,861</u>	
Creditors: amounts falling due within one year	7	(871,981)		(81,031)	
<b>Net current (liabilities)/assets</b>			<u>(280,982)</u>		<u>489,830</u>
<b>Total assets less current liabilities</b>			<u>760,587</u>		<u>602,037</u>
Creditors: amounts falling due after more than one year	8	(25,000)		-	
<b>Provisions for liabilities</b>					
Deferred tax	9	(25,725)		-	
			<u>(25,725)</u>		<u>-</u>
Deferred income	10		(44,341)		(79,295)
<b>Net assets</b>			<u>665,521</u>		<u>522,742</u>
<b>Capital and reserves</b>					
Called up share capital			76		76
Other reserves			(119,976)		(119,976)
Profit and loss account			785,421		642,642
<b>Total equity</b>			<u>665,521</u>		<u>522,742</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 September 2017 by:

**S W Taylor**

Director



The notes on pages 10 to 16 form part of these financial statements.

**ZIP WORLD FFOREST LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2015 (unaudited)</b>	<b>76</b>	<b>(119,976)</b>	<b>561,236</b>	<b>441,336</b>
<b>Comprehensive income for the year</b>				
Profit for the financial year (unaudited)	-	-	81,406	81,406
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>81,406</b>	<b>81,406</b>
<b>At 31 December 2015 (unaudited)</b>	<b>76</b>	<b>(119,976)</b>	<b>642,642</b>	<b>522,742</b>
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	142,779	142,779
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>142,779</b>	<b>142,779</b>
<b>At 31 December 2016</b>	<b>76</b>	<b>(119,976)</b>	<b>785,421</b>	<b>665,521</b>

The notes on pages 10 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. General information**

Zip World Fforest Ltd (the "Company") operates adventure activities and is incorporated and domiciled in England and Wales, registered at Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

**2.2 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company 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**

Revenue 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**

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

**2.3 Tangible fixed assets and depreciation**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.3 Tangible fixed assets and depreciation (continued)**

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

Depreciation is provided on the following basis:

Plant and machinery	- 10% to 25%
Fixtures and fittings	- 25%
Assets in the course of construction	- Not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.4 Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed variable overheads.

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

**2.5 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.

**2.6 Cash and cash equivalents**

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

**2.7 Financial instruments**

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

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

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.8 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.

**2.9 Government grants**

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

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

**2.10 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.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

**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.

**2.12 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**2.13 Interest income**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.14 Provisions for liabilities**

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

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

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

**2.15 Current and deferred taxation**

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**3. Auditors' remuneration**

	2016 £	2015 £
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	6,000	-
<b>Fees payable to the Company's auditors and their associates in respect of:</b>		
Taxation compliance services	2,500	-
All other services	2,500	-
	5,000	-

**4. Tangible assets**

	Plant and machinery £	Fixtures and fittings £	Asset in the course of construction £	Total £
<b>Cost or valuation</b>				
At 1 January 2016	506,763	-	-	506,763
Additions	337,487	29,829	674,685	1,042,001
At 31 December 2016	844,250	29,829	674,685	1,548,764
<b>Accumulated depreciation</b>				
At 1 January 2016	394,556	-	-	394,556
Charge for the period	108,760	3,879	-	112,639
At 31 December 2016	503,316	3,879	-	507,195
<b>Net book value</b>				
At 31 December 2016	340,934	25,950	674,685	1,041,569
At 31 December 2015	112,207	-	-	112,207

**5. Stocks**

	2016 £	2015 £
Finished goods and goods for resale	4,598	-



## ZIP WORLD FFOREST LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 6. Debtors: Amounts falling due within one year

	2016 £	2015 £
Trade debtors	-	52,214
Amounts owed by group undertakings	28,436	-
Other debtors	11,438	-
	<u>39,874</u>	<u>52,214</u>

#### 7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other loans	25,000	-
Trade creditors	32,686	24,564
Amounts owed to group undertakings	797,769	-
Corporation tax	11,404	30,926
Taxation and social security	-	13,059
Other creditors	123	10,482
Accruals and deferred income	4,999	2,000
	<u>871,981</u>	<u>81,031</u>

#### Secured loans

The loan is secured by fixed and floating charge over all property and assets present and future.

#### 8. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other loans	25,000	-
	<u>25,000</u>	<u>-</u>

#### Secured loans

The loan is secured by fixed and floating charge over all property and assets present and future.

# ZIP WORLD FFOREST LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 9. Deferred taxation

	2016 £
At beginning of year	-
Charged to profit or loss	(25,753)
Adjustments in respect of prior years	28
<b>At end of year</b>	<b>(25,725)</b>

The deferred taxation balance is made up as follows:

	2016 £
Origination and reversal of timing differences	(30,296)
Adjustment in respect of previous periods	28
Effect of changes in tax rates	4,543
	<b>(25,725)</b>

### 10. Deferred income

	2016 £	2015 £
Deferred income	<b>44,341</b>	79,295

### 11. Related party transactions

£28,436 was owed to Zip World Fforest as at 31 December 2016 by Zip World Adventure Hotel Ltd, which is also a subsidiary of Zip World Ltd. There is no fixed repayment terms and no interest charged.

During the year Zip World Fforest purchases goods worth £2,145 (2015: £2,503) from Dropzone (UK) Ltd, a company owned by M J Shaylor, a director of the company.

### 12. Controlling party

Zip World Limited is the immediate and ultimate parent undertaking of the company and both the smallest and largest company to prepare consolidated financial statements which include this company.

Copies of the consolidated financial statements can be obtained from Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL.