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Registered number: 05888387

ZIP WORLD FFOREST LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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ZIP WORLD FFOREST LTD

CONTENTS

	Page(s)
Company Information	1
Directors' Report	2 - 3
Independent Auditors' Report to the Members of Zip World Fforest Ltd	4 - 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 - 17

ZIP WORLD FFOREST LTD

COMPANY INFORMATION

Directors	S W Taylor D J Stacey E S Owen Davies C L Knowles A S Hudson
Registered number	05888387
Registered office	Zip World Base Camp Denbigh Street Llanrwst Wales LL26 0LL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

ZIP WORLD FFOREST LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements of Zip World Fforest Ltd (the "Company") for the year ended 31 December 2018.

Directors

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

S W Taylor
N S Moriarty (resigned 24 December 2018)
M J Shalor (resigned 24 December 2018)
D J Stacey (appointed 24 December 2018)
E S Owen Davies (appointed 24 December 2018)
C L Knowles (appointed 24 December 2018)
A S Hudson (appointed 24 December 2018)

Directors' responsibilities statement

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

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

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

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

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

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

Disclosure of information to auditors

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

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have 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.

ZIP WORLD FFOREST LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Independent auditors

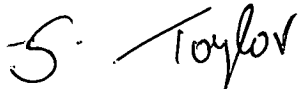
Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is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

Small companies exemption

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

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 and title.

Date: 18 April 2019

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

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

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; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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

23-4-19

ZIP WORLD FFOREST LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Turnover	2,871,560	1,789,120
Other operating income	22,404	22,862
Other external charges	(489,593)	(407,700)
Staff costs	(599,898)	(459,987)
Depreciation and amortisation	(348,254)	(262,198)
Operating profit	1,456,219	682,097
Interest receivable and similar income	8	59
Interest payable and similar expenses	-	(1,172)
Profit before taxation	1,456,227	680,984
Tax on profit	(275,704)	(134,070)
Profit for the financial year	1,180,523	546,914
Retained earnings:		
Retained earnings at the beginning of the year	1,212,335	665,421
Profit for the financial year	1,180,523	546,914
Dividend paid	(500,000)	-
Retained earnings at the end of the financial year	1,892,858	1,212,335

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible Assets	5	1,986,108	1,849,630
Current assets			
Stocks	6	10,076	5,795
Debtors	7	610,185	125,832
Cash at bank and in hand		20,637	93,415
		<u>640,898</u>	<u>225,042</u>
Creditors: amounts falling due within one year	8	(430,739)	(505,913)
Net current assets/(liabilities)		<u>210,159</u>	<u>(280,871)</u>
Total assets less current liabilities		<u>2,196,267</u>	<u>1,568,759</u>
Creditors: amounts falling due after more than one year	9	(205,349)	(259,745)
Provisions for liabilities			
Deferred taxation	10	(43,500)	(42,326)
Deferred income	11	(54,460)	(54,253)
Net assets		<u>1,892,958</u>	<u>1,212,435</u>
Capital and reserves			
Called up share capital		76	76
Capital redemption reserve		24	24
Profit and loss account		1,892,858	1,212,335
Total shareholders' funds		<u>1,892,958</u>	<u>1,212,435</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 on page 7 to 17 were approved and authorised for issue by the board and were signed on its behalf by:



E S Owen Davies
Director

Date: 18 April 2019

The notes on pages 9 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Zip World Fforest Ltd (the "Company") operates adventure activities and is incorporated and domiciled in United Kingdom. The address of its registered office is Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, 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 following principal accounting policies have been applied consistently throughout the year:

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

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 Tangible assets (continued)

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

Depreciation is provided on the following basis:

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 Income and Retained Earnings.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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.

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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income and Retained Earnings.

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.

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 Income and Retained Earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

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 Income and Retained Earnings 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 Dividends

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

2.13 Operating leases

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

2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.16 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 Income and Retained Earnings 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.

2.17 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; 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.

3. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>6,000</u>	<u>6,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Employees

The average monthly number of employees, including directors, during the year was 62 (2017: 48).

The average number of full time equivalent employees during the year was 31 (2017: 21).

5. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Asset in the course of construction £	Total £
Cost				
At 1 January 2018	2,580,109	38,914	-	2,619,023
Additions	177,259	30,889	276,585	484,733
Transfers between classes	245,155	-	(245,155)	-
At 31 December 2018	<u>3,002,523</u>	<u>69,803</u>	<u>31,430</u>	<u>3,103,756</u>
Accumulated depreciation				
At 1 January 2018	756,493	12,900	-	769,393
Charge for the year	332,862	15,392	-	348,254
At 31 December 2018	<u>1,089,355</u>	<u>28,292</u>	<u>-</u>	<u>1,117,647</u>
Net book value				
At 31 December 2018	<u>1,913,168</u>	<u>41,511</u>	<u>31,430</u>	<u>1,986,109</u>
At 31 December 2017	<u>1,823,616</u>	<u>26,014</u>	<u>-</u>	<u>1,849,630</u>

6. Stocks

	2018 £	2017 £
Finished goods and goods for resale	<u>10,076</u>	<u>5,795</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	487,214	-
Amounts owed by joint ventures	94,460	104,460
Other debtors	15,021	7,238
Prepayments and accrued income	13,490	14,134
	<u>610,185</u>	<u>125,832</u>

8. Creditors: amounts falling due within one year

	2018 £	2017 £
Other loans	31,992	31,992
Trade creditors	34,603	28,858
Amounts owed to group undertakings	-	224,270
Corporation tax	274,534	117,469
Other creditors	2,315	186
Accruals and deferred income	87,295	103,138
	<u>430,739</u>	<u>505,913</u>

The other loan is unsecured and interest free.

9. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other loans	18,686	50,678
Government grants received	186,663	209,067
	<u>205,349</u>	<u>259,745</u>

ZIP WORLD FFOREST LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. Deferred taxation

	2018 £
At beginning of year	42,326
Charged to profit or loss	(7,559)
Utilised in year	6,385
At end of year	43,500

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Origination and reversal of timing differences	(50,774)	(46,780)
Adjustment in respect of previous periods	6,385	1,996
Effect of changes in tax rates	(889)	(2,458)
	43,500	42,326

11. Deferred income

	2018 £	2017 £
Deferred income	54,460	54,253

12. Related party transactions

£94,460 (2017: £104,460) was owed to Zip World Fforest Ltd as at 31 December 2018 by Zip World Adventure Hotel Ltd, a company which is 50% owned by Zip World Ltd. There is no fixed repayment terms and no interest charged.

During the year Zip World Fforest Ltd purchased goods and services worth £3,149 (2017: £246) from Dropzone (UK) Ltd, a company owned by M J Shaylor, a director of the Company.

During the year Zip World Fforest Ltd purchased goods and services worth £7,500 (2017: £60,000) from Ropes Course Developments Ltd, a company owned by N S Moriarty, a director of the Company.

During the year Zip World Fforest Ltd purchased goods and services worth £15,000 (2017: £15,000) from Treetop Trek Ltd, a company owned by M J Shaylor, a director of the Company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Ultimate parent undertaking and controlling party

The immediate parent company is Zip World Limited, which is a 100% subsidiary of Zip World Group Holdings Limited. Upon completion of the management buy-out in December 2018, 100% of the issued share capital of Zip World Group Holdings Limited was acquired by ZWPV Limited who are now the ultimate parent company.

Due to the timing of this transaction, for the year ended 31 December 2018 Zip World Group Holdings Limited is the smallest and largest group company to consolidate these financial statements. ZWPV Limited will prepare the consolidated group accounts for the following year end. Copies of the consolidated financial statements can be obtained from the Company Secretary at Zip World Base Camp, Denbigh Street, Llanrwst LL26 0LL.

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