Registered number: 07777872

ZIP WORLD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

CONTENTS

COMPANY INFORMATION

Directors	S W Taylor M J Shaylor N S Moriarty
Registered number	07777872
Registered office	Zip World Base Camp Denbigh Street Llanrwst Wales LL26 0LL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors One Kingsway Cardiff CF10 3PW

THE ZIP WORLD GROUP - EXPERIENCE ADVENTURE WITH ZIP WORLD

Zip World operates adventure activities across 3 sites in North Wales:

Zip World Velocity at Zip World Penrhyn Quarry - the longest zip line in Europe and the fastest in the World. This adventure takes you on the Little Zipper to build your confidence before you journey up the quarry on our famous red trucks to take in the stunning views from the Big Top of Velocity out towards Anglesey with views of the Isle of Man on a clear day. You will then descend down the Big Zipper over the quarry lake, often reaching speeds well in excess of 100mph.

During the year construction commenced of the Adventure Terminal, which will include a state of the art restaurant, viewing area, shop and conference room due to open later in 2017.

Zip World Titan at Zip World Slate Caverns - the first four-person zip line in Europe. Zipping in a seated position, you are afforded stunning views over Blaenau Ffestiniog and down the valley ahead.

Also located at this site and following a massive refurbishment, the Bounce Below experience reopened for summer 2016. The breath-taking site, in a former slate mine lets you play, slide, roll, jump and bounce from net to net. The experience now offers four new industrial slides the height of two double decker buses and six new levels of bouncing fun, giving underground adventurers 400 additional square metres to explore.

A third experience at this site, Zip World Caverns is an epic journey through the underground caverns on zip lines, rope bridges, via ferrata and tunnels.

Zip World Fforest - here you will find a holistic journey through the canopy of the trees on Zip Safari, an incredible net adventure hung in the trees, with Treetop Nets which everyone from the age of 3 can enjoy, the Plummet parachute simulator where you will free fall from high and the Skyride giant five seater swing. Tree Hoppers will also keep any little adventurers busy. After all your adventures, relax at our Fforest Caffi.

During the year construction commenced on our new Fforest adventure, the Alpine Coaster, which has since been hugely popular following its launch in May 2017. The only Alpine Coaster of its kind in the UK, it is based on a traditional toboggan but runs on rails, which offers an all year, all weather experience. Start your journey in the woodland and travel on the lift through the trees – you will then fly through the forest at exhilarating speeds.

S W Taylor
Director

S. Taylor

Date 13 September 2017

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic Report on the group for the year ended 31 December 2016.

Business Review incorporating key performance indicators

2016 was a year of investment for the group, with the acquisition of Zip World Fforest Ltd (formally known as Tree Top Adventure Ltd) in January 2016, the refurbishment of Bounce Below which reopened in summer 2016, and the start of construction of both the Adventure Terminal in Zip World Penrhyn Quarry (due to open later in 2017) and the new Alpine Coaster at Zip World Fforest (which launched in May 2017).

The group is pleased to report that turnover increased year on year as follows:

	2016	2015
	£	£
Existing attractions	6,452,989	6,395,447
Zip World Fforest	665,732	-
	7,118,721	6,395,447

The growth in existing attractions has been achieved despite Bounce Below being closed for refurbishment for the first half of the year.

Across the group 211,983 (2015: 203,157) participants experienced adventure during 2016 – an increase of 4.3% on 2015 and our advance bookings, reflected by our deferred income balance signal that we expect 2017 numbers to be even higher.

EBITDA (Earnings before interest, tax, depreciation and amortisation), excluding exceptional charges decreased slightly during the year as follows:

	2016	2015
	£	£
Existing attractions	2,174,504	2,475,617
Zip World Fforest	291,656	-
	2,466,160	2,475,617

The reduction in EBITDA arose principally due to significant investment in staff costs which rose in the year and the updgrading of attractions, the benefit of which will be seen in 2017 and beyond.

We are proud to support the tourism industry and employ local people in North Wales and part of our ethos as a company is to build sustainable, long term, quality employment opportunities in the region. As such, we are delighted that the number of people employed by the group increased from 67 to 153 during the year, of which 66 were new hires, outside of acquisitions.

In addition, we have invested in the future growth of the group by strengthening our team with the introduction of a Managing Director for the group, supported by a new Senior Leadership Team who are tasked with the smooth operating of the existing business as well as seeking out new opportunities for the group.

We have also reinvested £3.2 million of retained profits in fixed assets in the year, including the development of the new Alpine Coaster at Zip World Fforest and the Adventure Terminal at Zip World Penrhyn Quarry as we seek to build a broader, stronger platform for growth in the coming years. In March 2016 all calls were transferred from site to the new Adventure Booking Centre which now takes 40% of all bookings. This was another significant investment in human resource to support the future growth of the business.

2017 is set to be another record year for the group, with additional capacity across all sites due to a combination of new adventures, adding capacity to existing adventures, extending the season on core adventures and a full year of operation on Bounce Below and Tree Top Nets. This will be supplemented by a focus on secondary spend for our customers both before and during their visit

Principal risks and uncertainties

The operations of the business expose it to a number of risks, the most significant being as follows:

Economic risk

The nature of the group's business is that is heavily exposed to the general economic conditions prevailing in the United Kingdom and the extent to which exchange rate fluctuations influence potential customers holiday decisions – the "staycation" effect. It is possible that the impact of Brexit could be positive for the group if the exchange rate fluctuations being experience cause people to holiday nearer home, but if the impact is to cause sufficient economic uncertainty that that people reduce their discretionary spending then the group may suffer a negative impact as a result.

To mitigate this, the board of directors are seeking to broaden the range of the group's activity adventure offering, at various price points and locations across the UK and also potentially through expansion internationally.

Health and safety

The group's adventure activities are, by their very nature, associated with a level of risk of serious injury to individuals participating in them if safety procedures are not followed. To mitigate this, safety is built into each attraction from the outset, from the equipment used to the inherent design of the attraction.

In addition, the directors have implemented rigorous training for all staff that operate attractions to ensure that visitors remain safe.

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 Zip World invests significantly in the training of its employees to ensure that visitors have a safe and positive experience each time they visit a Zip World site. Having made this investment in its employees, it is then critical that the group retains them and the directors look to achieve this through creating a positive working environment, investing in staff and paying staff above average wages for the area in which they are based

This report was approved by the board on 13 September 2017 and signed on its behalf by:

S W Taylor
Director

S. Taylor

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2016.

Directors

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

S W Taylor
M J Shaylor
N S Moriarty

Directors' responsibilities statement

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

Company law requires the directors to prepare audited consolidated financial statements for each financial year. Under that law the directors have elected to prepare the audited consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period. In preparing these audited consolidated 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, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are 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 the company and enable them to ensure that the audited consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,199,996 (2015 - £1,670,764).

During the year, the directors declared and paid an interim dividend of £435,173 (2015 - £nil)

Future developments

The future developments of the group and the company are discussed in the business review section of the strategic report.

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

Financial risk management

The company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The group and the company's financial assets are bank balances and cash.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by appropriate credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group and the company uses a mixture of long term and short term debt finance.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

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 and the group'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 and the group'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.

This report was approved by the board on 13 September 2017 and signed on its behalf by:

S. Taylor

S W Taylor
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD LIMITED

Report on the financial statements

Our opinion

In our opinion, Zip World 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 2016 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Consolidated and Company Balance Sheets as at 31 December 2016;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated and Company Statements 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" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the group, 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 Group Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD LIMITED

We have no exceptions to report arising from this responsibility.

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.

Responsibilities for the financial statements and the audit

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.

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.

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 Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZIP WORLD LIMITED

Other matters

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

Company financial statements - Unaudited corresponding figures
The company financial statements for the year ended 31 December 2015, forming the corresponding figures of the company 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

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

	Note	2016 £	Unaudited 2015 £
Turnover	4	**7,118,721**	6,395,447
Other operating income	5	**42,953**	-
Other external expenses		**(2,439,247)**	(2,220,929)
Staff costs		**(2,472,268)**	(1,698,901)
Depreciation and amortisation		**(697,677)**	(297,419)
Operating profit	6	**1,552,482**	2,178,198
Interest receivable and similar income	10	**2,587**	1,184
Interest payable and similar expenses	11	**(10,123)**	-
Profit before taxation		**1,544,946**	2,179,382
Tax on profit	12	**(344,950)**	(508,618)
Profit for the financial year		**1,199,996**	1,670,764
Total comprehensive income for the year		**1,199,996**	1,670,764
Profit and comprehensive income for the year attributable to:			
Owners of the parent company		**1,199,996**	1,670,764

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		Unaudited 2015 £
Fixed assets					
Intangible assets	15		**1,337,018**		-
Tangible assets	16		**3,789,517**		842,477
Investments	17		**4**		-
			5,126,539		842,477
Current assets					
Stocks	18	**42,048**		45,601	
Debtors: amounts falling due within one year	19	**60,493**		24,571	
Cash at bank and in hand	20	**944,910**		4,381,335	
		1,047,451		4,451,507	
Creditors: amounts falling due within one year	21	**(669,666)**		(1,041,383)	
Net current assets			**377,785**		3,410,124
Total assets less current liabilities			**5,504,324**		4,252,601
Creditors: amounts falling due after more than one year	22		**(36,172)**		(16,086)
Provisions for liabilities					
Deferred taxation	26	**(76,990)**		(84,510)	
			(76,990)		(84,510)
Accruals and deferred income	27		**(1,483,541)**		(1,009,207)
Net assets			**3,907,621**		3,142,798
Capital and reserves					
Called up share capital	28		**300**		300
Profit and loss account	29		**3,907,321**		3,142,498
			3,907,621		3,142,798

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

S. Taylor

S W Taylor
Director
The notes on pages 16 to 36 form part of these financial statements.

ZIP WORLD LIMITED
REGISTERED NUMBER: 07777872

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		Unaudited 2015 £
Fixed assets					
Tangible assets	16		**2,747,947**		842,477
Investments	17		**2,008,322**		-
			4,756,269		842,477
Current assets					
Stocks	18	**37,451**		45,601	
Debtors: amounts falling due within one year	19	**829,826**		24,571	
Cash at bank and in hand	20	**398,382**		4,381,335	
		1,265,659		4,451,507	
Creditors: amounts falling due within one year	21	**(606,398)**		(1,041,383)	
Net current assets			**659,261**		3,410,124
Total assets less current liabilities			**5,415,530**		4,252,601
Creditors: amounts falling due after more than one year	22		**(11,172)**		(16,086)
Provisions for liabilities					
Deferred taxation	26	**(51,265)**		(84,510)	
			(51,265)		(84,510)
Accruals and deferred income	27		**(1,439,201)**		(1,009,207)
Net assets			**3,913,892**		3,142,798
Capital and reserves					
Called up share capital	28		**300**		300
Profit and loss account brought forward		**3,142,498**		1,471,734	
Profit for the year	14	**1,206,267**		1,670,764	
Other changes in the profit and loss account		**(435,173)**		-	
Profit and loss account carried forward			**3,913,592**		3,142,498
			3,913,892		3,142,798

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

S. Taylor

S W Taylor
Director

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015 (unaudited)	300	1,471,734	1,472,034
Comprehensive income for the year			
Profit for the financial year (unaudited)	-	1,670,764	1,670,764
Total comprehensive income for the year	-	1,670,764	1,670,764
At 31 December 2015 (unaudited)	300	3,142,498	3,142,798
Comprehensive income for the year			
Profit for the financial year	-	1,199,996	1,199,996
Total comprehensive income for the year	-	1,199,996	1,199,996
Contributions by and distributions to owners			
Dividends: Equity capital	-	(435,173)	(435,173)
Total transactions with owners	-	(435,173)	(435,173)
At 31 December 2016	300	3,907,321	3,907,621

The notes on pages 16 to 36 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015 (unaudited)	300	1,471,734	1,472,034
Comprehensive income for the year			
Profit for the financial year (unaudited)	-	1,670,764	1,670,764
Total comprehensive income for the year	-	1,670,764	1,670,764
At 31 December 2015 (unaudited)	300	3,142,498	3,142,798
Comprehensive income for the year			
Profit for the financial year	-	1,206,266	1,206,266
Total comprehensive income for the year	-	1,206,266	1,206,266
Contributions by and distributions to owners			
Dividends: Equity capital	-	(435,173)	(435,173)
Total transactions with owners	-	(435,173)	(435,173)
At 31 December 2016	300	3,913,591	3,913,891

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	Unaudited 2015 £
Cash flows from operating activities		
Profit for the financial year	**1,199,996**	1,670,764
Adjustments for:		
Taxation charge	**344,950**	508,618
Interest payable	**10,123**	-
Interest receivable	**(2,587)**	(1,184)
Depreciation of tangible assets	**549,119**	297,419
Loss on disposal of tangible assets	**-**	(5,748)
Amortisation of intangible assets	**148,558**	-
Decrease/(increase) in stocks	**3,553**	(45,601)
Decrease in debtors	**16,293**	11,778
(Decrease)/increase in creditors	**(4,938)**	454,917
Corporation tax paid	**(547,218)**	(318,638)
Net cash generated from operating activities	**1,717,849**	2,572,325
Cash flows from in investing activities		
Purchase of tangible fixed assets	**(3,271,743)**	(479,387)
Sale of tangible fixed assets	**-**	24,833
Interest received	**2,587**	1,184
Net cash outflow on acquisition of subsidiary	**(1,489,671)**	-
Net cash used in investing activities	**(4,758,827)**	(453,370)
Cash flows from financing activities		
Other new loans	**50,000**	-
Repayment of/new finance leases	**(4,914)**	-
Dividends paid	**(435,173)**	-
Interest paid	**(10,123)**	-
Net cash used in financing activities	**(400,210)**	-
Net (decrease)/increase in cash and cash equivalents	**(3,441,188)**	2,118,955
Cash and cash equivalents at beginning of year	**4,381,335**	2,262,380
Cash and cash equivalents at the end of year	**940,147**	4,381,335
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**944,910**	4,381,335
Bank overdrafts	**(4,763)**	-
	940,147	4,381,335

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

1. General information

Zip World Limited (the "company") and its subsidiary companies (together the "group") principal activity is the operation of adventure experience activities.

The company is incorporated and domiciled in England and Wales. Its registered office is Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0BW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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.

Information on the impact of first-time adoption of FRS 102 is given in note 32.

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 judgment in applying the group's accounting policies (see note 3).

The following principal accounting policies have been consistenly applied throughout the financial statements:

2.2 Comparative information

The company has now exceeded the small company thresholds for the audit exemption under the Companies Act 2006 and these are the first set of financial statements for the company to be audit. As such, the comparative information provided in these financial statements is unaudited.

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.

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

2. Accounting policies (continued)

2.4 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.

2.5 Revenue

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

Sale of adventure experiences

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.

2.6 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.

2. Accounting policies (continued)

2.7 Tangible fixed assets

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

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	- 25%
Motor vehicles	- 25%
Fixtures, fittings and equipment	- 25%
Asset 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 Consolidated Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are valued 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 and variable overheads.

2.10 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.

2.11 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.

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

2. Accounting policies (continued)

2.12 Financial instruments

The group 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 Consolidated Statement of Comprehensive Income.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

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.

2.13 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. Accounting policies (continued)

2.14 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 Consolidated Statement of Comprehensive Income.

2.15 Finance costs

Finance costs are charged to the Consolidated 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.

2.16 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.17 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income 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.

2.18 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 the Consolidated Statement of Comprehensive Income 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. Accounting policies (continued)

2.19 Interest income

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

2.20 Borrowing costs

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

2.21 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 the Consolidated Statement of Comprehensive Income 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.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

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

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

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

Business combinations

The recognition of business combinations requires the excess of the purchase price of acquisition over the net book value of assets acquired to be allocated to the assets acquired and the liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill.

(i) Goodwill

The amount of goodwill recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and liabilities assumed. The determination of the fair value of assets and liabilities is based to a considerable extent on management's judgement. Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised and the identification of different intangible assets could result in differing amortisation charges based upon the assessment of the useful economic life of each identifiable intangible asset.

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2016 £	2015 £
Other operating income	**42,953**	-
	42,953	-

6. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	**549,119**	297,419
Amortisation of intangible assets, including goodwill	**148,558**	-
Operating lease rentals	**921,261**	819,794

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

7. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and their associates for the audit of the group's annual financial statements	**14,000**	-
Fees payable to the group's auditors and their associates in respect of:		
Audit of the Company's subsidiaries	**6,000**	-
Taxation compliance services	**2,500**	-
All other services	**20,900**	-
	29,400	-

8. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	**2,131,152**	1,698,901
Social security costs	**124,116**	-
Other pension costs	**217,000**	-
	2,472,268	1,698,901

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

	2016 No.	2015 No.
Operations	**153**	67

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	**4,200**	16,800
Company contributions to defined contribution pension schemes	**217,000**	-
	221,200	16,800

During the year retirement benefits were accruing to 2 directors (2015 - NIL) in respect of defined contribution pension schemes.

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

10. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	**2,587**	1,184

11. Interest payable and similar expenses

	2016 £	2015 £
Other loan interest payable	**10,123**	-

12. Tax on profit

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**360,251**	424,108
Adjustments in respect of previous periods	**(7,781)**	-
Total current tax	**352,470**	424,108
Deferred tax		
Origination and reversal of timing differences	**(3,292)**	28,943
Effect of reduced tax rate on opening liability	**(28)**	(13,008)
Adjustment in respect of prior periods	**(4,200)**	68,575
Total deferred tax	**(7,520)**	84,510
Taxation on profit on ordinary activities	**344,950**	508,618

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

12. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit before taxation	**1,544,946**	2,179,382
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	**308,989**	441,325
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**18,258**	11,726
Adjustments from previous periods	**(7,809)**	68,575
Tax rate changes	**(4,200)**	(13,008)
Permanent differences	**29,712**	-
Total tax charge for the year	**344,950**	508,618

Factors that may affect future tax charges

The July 2015 Budget Statement announced changes (which were subsequently enacted) to the UK Corporation tax regime which will reduce the main rate of Corporation Tax to 19% from 1 April 2017 and 18% from 1 April 2020. A further change was announced in the March 2016 Budget to further reduce the Corporation Tax rate to 17% by 1 April 2020 which was substantively enacted before the end of the financial year.

Accordingly, deferred tax has been calculated using a tax rate of 17% (2015: 18%).

13. Dividends

	2016 £	2015 £
Interim dividends of £1,333.33 (2015: £nil) per £1 ordinary share	**399,999**	-
Interim dividends of £190.13 (2015: £nil) per £1 ordinary share	**35,174**	-
	435,173	-

In respect of the £190.13 interim dividend paid, 115 shares waived their right of dividend payment.

14. Parent company profit for the financial year

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 profit after tax of the parent company for the financial year was £1,206,267 (2015 - £1,566,331).

15. Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2016	-
On acquisition of subsidiaries	**1,485,576**
At 31 December 2016	**1,485,576**
Accumulated amortisation	
At 1 January 2016	-
Charge for the year	**148,558**
At 31 December 2016	**148,558**
Net book value	
At 31 December 2016	**1,337,018**
At 31 December 2015	-

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

16. Tangible assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Asset in the course of construction £	Total £
Cost or valuation					
At 1 January 2016	329,395	94,479	926,613	61,176	1,411,663
Additions	427,042	101,688	166,441	2,688,779	3,383,950
Acquisition of subsidiary	112,208	-	-	-	112,208
Disposals	-	(3,259)	-	-	(3,259)
Transfers between classes	443,166	-	-	(443,166)	-
At 31 December 2016	1,311,811	192,908	1,093,054	2,306,789	4,904,562
Accumulated depreciation					
At 1 January 2016	50,317	32,155	486,713	-	569,185
Charge for the year	252,536	43,879	252,704	-	549,119
Disposals	-	(3,259)	-	-	(3,259)
At 31 December 2016	302,853	72,775	739,417	-	1,115,045
Net book value					
At 31 December 2016	1,008,958	120,133	353,637	2,306,789	3,789,517
At 31 December 2015	279,077	62,324	439,900	61,176	842,477

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

16. Tangible assets (continued)

Company

	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 January 2016	329,396	94,479	926,613	61,175	1,411,663
Additions	89,555	101,688	136,613	2,014,094	2,341,950
Disposals	-	(3,259)	-	-	(3,259)
Transfers between classes	443,166	-	-	(443,166)	-
At 31 December 2016	862,117	192,908	1,063,226	1,632,103	3,750,354
Accumulated depreciation					
At 1 January 2016	50,317	32,155	486,714	-	569,186
Charge for the year	143,776	43,879	248,825	-	436,480
Disposals	-	(3,259)	-	-	(3,259)
At 31 December 2016	194,093	72,775	735,539	-	1,002,407
Net book value					
At 31 December 2016	668,024	120,133	327,687	1,632,103	2,747,947
At 31 December 2015	279,079	62,324	439,899	61,175	842,477

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

17. Investments

Group

	Investment in joint ventures £
Cost	
At 1 January 2016	-
Additions	4
At 31 December 2016	4
Net book value	
At 31 December 2016	4
At 31 December 2015	-

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Zip World Fforest Ltd	Ordinary	100 %	Adventure activities

Name	Registered office
Zip World Fforest Ltd	Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL

Participating interests

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
Zip World Adventure Hotel Limited	England & Wales	Ordinary	50%	Development of building projects

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

17. Investments (continued)

Company

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
Cost			
At 1 January 2016	-	-	-
Additions	**2,008,318**	**4**	**2,008,322**
At 31 December 2016	**2,008,318**	**4**	**2,008,322**
Net book value			
At 31 December 2016	**2,008,318**	**4**	**2,008,322**
At 31 December 2015	-	-	-

18. Stocks

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Finished goods and goods for resale	**42,048**	45,601	**37,451**	45,601

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

An impairment loss of £15,710 (2015 - £nil) was recognised in other external charges against stock during the year due to slow-moving and obsolete stock.

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

19. Debtors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Amounts owed by group undertakings	**-**	-	**797,769**	-
Amounts owed by joint ventures	**28,436**	-	**-**	-
Other debtors	**219**	3,601	**219**	3,602
Prepayments and accrued income	**31,838**	20,970	**31,838**	20,969
	60,493	24,571	**829,826**	24,571

20. Cash at bank and in hand

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Cash at bank and in hand	**944,910**	4,381,335	**398,382**	4,381,335
Less: bank overdrafts	**(4,763)**	-	**(4,763)**	-
	940,147	4,381,335	**393,619**	4,381,335

21. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Bank loans and overdrafts	**4,763**	-	**4,763**	-
Other loans	**25,000**	-	**-**	-
Trade creditors	**117,663**	41,374	**84,978**	41,374
Corporation tax	**128,061**	331,108	**116,657**	331,108
Other creditors	**1,541**	309,403	**1,418**	309,403
Other taxation and social security	**64,312**	293,884	**75,750**	293,884
Obligations under finance lease and HP	**4,536**	4,536	**4,536**	4,536
Accruals	**323,790**	61,078	**318,296**	61,078
	669,666	1,041,383	**606,398**	1,041,383

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

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Other loans	**25,000**	-	-	-
Net obligations under finance leases and HP	**11,172**	16,086	**11,172**	16,086
	36,172	16,086	**11,172**	16,086

23. Loans

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Amounts falling due within one year				
Other loans	**25,000**	-	-	-
Amounts falling due 1-2 years				
Other loans	**25,000**	-	-	-
	50,000	-	-	-

The loan is secured by fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery.

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Within one year	**4,536**	4,536	**4,536**	4,536
Between 1-2 years	**11,172**	16,086	**11,172**	16,086
	15,708	20,622	**15,708**	20,622

25. Financial instruments

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	**28,655**	3,601	**797,987**	3,601
Financial liabilities				
Financial liabilities measured at amortised cost	**(497,257)**	129,354	**(413,961)**	133,890

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings, amounts owed by joint ventures and other debtors.

Financial liabilities measured at amortised cost comprise of bank overdrafts, other loans, trade creditors and accruals.

26. Deferred taxation

Group

	2016 £
At beginning of year	**(84,510)**
Credited to profit or loss	**7,520**
At end of year	**(76,990)**

Company

	2016 £
At beginning of year	**(84,510)**
Credited to profit or loss	**33,245**
At end of year	**(51,265)**

	Group 2016 £	**Company 2016 £**
Origination and reversal of timing differences	**(76,990)**	**(51,265)**
	(76,990)	**(51,265)**

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

27. Deferred income

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Deferred income	**(1,483,541)**	(1,009,207)	**(1,439,201)**	(1,009,207)

28. Called up share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
300 (2015: 300) Ordinary shares of £1 each	**300**	300

29. Reserves

Profit and loss account

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

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

30. Business combinations

In January 2016, the Company acquired the entire share capital of Zip World Fforest Limited (previously known as Tree Top Adventure Limited) for consideration of £2m.

The following table summarises the fair value of the identifiable net assets acquired at the date of acquisition:

	Book value £	Fair value £
Tangible assets	**112,208**	112,208
Debtors	**52,213**	52,213
Cash at bank and in hand	**518,647**	518,647
Total assets	**683,068**	683,068
Due within one year	**(160,326)**	(160,326)
Fair value of net assets	**522,742**	522,742
Goodwill	**1,485,576**	1,485,576
Total purchase consideration	**2,008,318**	2,008,318
Purchase consideration settled in cash, as above	**2,008,318**	2,008,318
Cash and cash equivalents in subsidiary acquired	**(518,647)**	(518,647)
Cash outflow on acquisition	**1,489,671**	1,489,671

The results of Zip World Fforest Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	**665,732**
Profit for the year	**142,779**

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

31. Related party transactions

During the year the company acquired the entire issued share capital of Zip World Fforest Limited for £2,008,318 from S Taylor, a director of the company. No amount was outstanding at the end of the year in respect of this transaction.

Other creditors includes £3 (2015: £282,500) of loans due to the directors of the company. These loans are interest free and repayable on demand.

During the financial year Group purchased goods worth £9,393 (2015: £8,019) from Dropzone (UK) Ltd, a company owned by M J Shaylor, a director of the Group. Group also purchased goods worth £120,738 (2015: £80,000) from Ropes Course Developments Ltd, a company owned by N S Moriarty, a director of the Group.

32. First time adoption of FRS 102

These are the first financial statements to be prepared under FRS 102. The last set to be prepared under previously extant GAAP was for the year ended 31 December 2015. The transiton date was 1 January 2015.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.