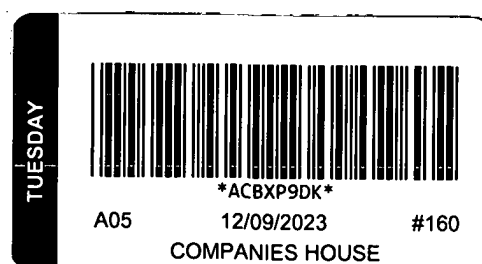


Registered number: 11639745

ZWPV LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



ZWPV LIMITED

COMPANY INFORMATION

Directors	S W Taylor D J Stacey A S Hudson D A Hughes G A Thorley M V Britton (appointed 19 January 2022) R A Schofield (appointed 5 July 2022) A Jones (appointed 1 April 2023, resigned 21 July 2023)
Registered number	11639745
Registered office	Zip World Base Camp Denbigh Street Llanrwst LL26 0LL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors One Kingsway Cardiff CF10 3PW

ZWPV LIMITED

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ZWPV LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the Strategic Report of ZWPV Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2022.

Business review and future developments

The Company was incorporated on 24 October 2018 and on the 24 December 2018 the Company acquired the entire share capital of Zip World Group Holdings Limited in a management buy-out backed by LDC and supported by senior debt facilities provided by HSBC. The principal activity of the Group is providing outdoor adventure experiences to retail customers in the United Kingdom.

The Group has traded well for the year. Revenue has increased by 23% to £28.6m compared to prior year, with rider volumes growing on a like for like basis. Underlying EBITDA has also grown on a comparative basis. EBITDA, before exceptional items, has decreased by £0.6m to £10.2m, however the prior year included the positive impact of grant and rate relief support, and the reduced VAT rate in FY21 to support recovery. The FY22 results reflect the continuation of a positive UK holiday market, taking advantage of increased UK travel volume coupled with a longer term underlying trend of experiential short break trips, which fits the Company profile well.

During 2022 the Group acquired the trade and assets of the Tyn Y Coed hotel in Snowdonia, and the share capital of Treetop Trek Limited, an adventure business comprising of two sites in Northern England. This sees the Group operating sites outside Wales for the first time. The Group also opened new experiences at two of its existing sites, and continues to invest in its people, brand, and infrastructure to underpin future growth.

The net liabilities of the Group at the end of the year were £10.76m (2021: £9.57m).

The strategy of the business is to grow revenue through a combination of organic growth of new experiences on existing sites, development of new site locations, and acquisitions as it expands its adventure experiences across the UK. The Group's focus continues to be providing world class differentiated outdoor adventure experiences, and is also adding accommodation offerings to package those experiences together, further fuelling growth. The Group has multiple opportunities for expansion and to drive customer dwell time across existing and new sites. In a dynamic consumer environment, it remains critically important to continue to offer unforgettable leisure experiences to ensure that customers' expectations are consistently exceeded.

At the end of 2022, the Group re-financed its banking facilities with HSBC and agreed the adoption of a Revolving Credit Facility of up to £15m, which allows increased efficiency of borrowing whilst also giving the Group access to funds for acquisition and development opportunities should they be available. A £5m, uncommitted, accordion facility further enhances that ability.

As a Group, we are proud to support the tourism industry, employ people who live locally to our attractions, and utilise local suppliers where possible. This is part of our ethos to build sustainable, long term quality employment opportunities in the regions where we operate.

ZWPV LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

Financial risks

The Group uses various financial instruments, these include loans, finance leases, interest rate caps, cash, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail below.

The main risks arising from the Group's financial instruments are:

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

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by revolving credit facilities and overdraft facilities. The maturity of borrowings is set out in the notes to the financial statements.

Credit risk

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

Interest rate risk

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

Other principal risks

Other economic risk

The nature of the Group's business is that it is exposed to the general economic conditions prevailing in the United Kingdom. The COVID 19 recovery, uncertainties related to Brexit and the conflict in Ukraine, and the economic challenges of the cost of living crisis may have a negative impact on consumer discretionary spending and in turn on the Group's financial performance. To help manage and mitigate this, the Group is broadening and evolving its adventure activities to offer experiences at various price points. This will maximize revenue opportunities and increase resilience to consumer economic pressures.

Health and safety

To minimise and manage any Health and Safety risk in relation to the outdoor adventure activities, such considerations are at the forefront of the design and equipment management for each attraction from the outset. Safe operating procedures are integral to the management processes for each site and are audited regularly by third party advisors and our insurers.

Staff retention

As a visitor attraction, a key part of the Zip World experience is the interaction that visitors have with the Group's employees. As a result the Group invests significantly in training and the welfare of its employees to help with staff retention. We do this through creating a positive working environment, investing in staff development and training, and paying competitive wage rates for the regions in which they are based.

ZWPV LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

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

	2022	2021
Revenue	£28.6m	£23.5m
EBITDA before exceptionals	£10.2m	£10.8m
Average numbers of employees	583	448
Number of Riders	632,000	542,000

ZWPV LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' statement of compliance with duty to promote the success of the Group

The Board have considered the requirements of Section 172 (1) reporting in the preparation of these financial statements. In making key decisions, the Board considers the following;

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers, and others;
- d) the impact of the company's operations on our local communities and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly and reasonably between all stakeholders of the company.

The Board consider key decisions in the context of the above areas and record how these decisions have been made. The stakeholders impacted by decisions are identified by management in the preparation of Board papers and through broader discussion in the business.

The Board meet on at least ten occasions throughout the year and all decisions are discussed in depth and considerations and conclusions are recorded in the minutes. As a result of these activities, the Board has an overview of the outcomes of the stakeholder engagement, and other factors, enabling the directors to comply with their duties under Section 172 of the Companies Act 2006.

The following are examples of stakeholder engagement that has taken place during the financial year:

Our People

Our team are critical to the delivery of our customer proposition across our business. Senior management have created a set of business values which are communicated across the business to ensure that Zipworld is the most recommended experience brand in the world. These values are; do the right thing, be exceptional, and challenge the norm and they are prominently featured throughout the business. The leadership team have regular discussions and engage with the teams to reinforce the practical application of these values in the business. In turn these values are used as an integral part of our recruitment process and, furthermore, are then used as part of the induction programme for all employees.

Management throughout the business have regular meetings with their teams where information is disseminated and feedback sought. The feedback received throughout the business is considered by the Board in decision making and referenced for specific projects, as necessary. The business also conducts an anonymous team satisfaction survey at least annually, and reflects on and gives responses to the team's feedback.

Our Customers

Our customers have often booked an experience with us to mark a significant occasion, to overcome their fears or to push themselves both physically and mentally, or simply to create a memorable experience for family, friends or colleagues. Whatever they are doing with us we are helping them enjoy physically or mentally challenging experiences that will enhance their lives and encourage them to face future challenges. It is their positive experience that will drive our attainment of being the most recommended experience brand in the world.

We strive to ensure that our adventures are both accessible and inclusive, to be enjoyed by all. We run promotions for low income families and our local communities to facilitate this, alongside having appropriate measures in place to allow safe accessibility for as many customers as possible. Management, both on site and the senior team, regularly engage with our customers on site to get their feedback and listen to and learn from any concerns. We also provide customers with the opportunity to provide feedback via online and physical survey processes which are reviewed by management. This feedback is then reflected in decision making and also considered by the Board where appropriate.

ZWPV LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Our Investors

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

Our Suppliers

Our suppliers play a key part in enabling us to deliver exceptional experiences for our customers. We seek to choose the best products and services to meet our requirements, and then develop long-term relationships with the suppliers that provide them, to create strong and enduring value over time. We pride ourselves in building lasting relationships with local suppliers in our communities, to share in the business success, ensuring that the economic benefits are gained throughout our supply chain. We review supplier performance regularly and have a cycle of re-tendering key supply contracts to ensure that products and services continue to be delivered in line with expectations for both our business and our customers. We also ensure that our suppliers engage in discussing their corporate and social responsibilities with our team and commit to their continued compliance with the Modern Slavery Act.

The broader Community & Environment

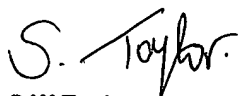
The Board and management are committed to ensuring that our operations are an integral part of the communities in which they sit. Our sites are in rural locations and, as such, we are one of the main sources of regional employment as well as driving income into the regions as a major contributor to the tourism sector. We recognise our responsibilities in that regard, paying above the living wage to our teams, and also ensuring that we support the community by sourcing locally and supporting local charities and causes where appropriate. The management team on each site is encouraged to engage directly with their local communities and strive to develop lasting relationships of mutual benefit.

The Board is committed to ensuring that our business considers its impact on the community and environment in its operations and considers the practical and tangible ways in which this can be improved and actively monitored with a longer term aim of building a strategy of sustainability. The Board is also committed to attain B Corporation accreditation in the near term and have been working towards that goal throughout 2022.

Our Culture

The Board believes culture to be key in achieving long-term success and growth. Our high standards of business conduct, and the pursuit of continuous improvement and innovation, are the direct result of a culture that focuses not only on achieving high levels of performance but doing so in a way that is sustainable and reflects our values, as described above. The Board supports the founder and senior team in embedding this culture into the business, and as a result the Group is now developing a clearly defined purpose across all business functions based on the three key values which govern how we act as a business. The Board and management team have strong values in respecting others, being inclusive to all backgrounds and beliefs and support equality in all its forms.

This report was approved by the board on 6 September 2023 and signed on its behalf.



S W Taylor
Director

ZWPV LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements 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;
- prepare the audited 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £1,186,902 (2021 - profit £558,223).

Results for the financial year and financial position for the Group are shown in the annexed financial statements.

No ordinary dividends were paid (2021: £nil). The directors do not recommend payment of a dividend.

Directors

The directors who served during the year and up to the date of this report were:

S W Taylor
D J Stacey
A S Hudson
D A Hughes
G A Thorley
M V Britton (appointed 19 January 2022)

ZWPV LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

R A Schofield (appointed 5 July 2022)
A Jones (appointed 1 April 2023, resigned 21 July 2023)
A L Pendleton (resigned 4 July 2022)
K I Hepworth (appointed 19 January 2022, resigned 1 April 2022)

Future developments

An indication of the likely future development of the business is included in the Strategic Report.

Financial risk management

The financial risk management of the Group is described in the Strategic Report

Engagement with employees

The Group places great emphasis on its employees and has continued its practice of keeping them informed on matters affecting their employment and the financial and economic factors affecting the performance of the Group.

The Group provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be considered when making decisions that are likely to affect their interests. Employee involvement in Zip World Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in continuing its growth.

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

Engagement with suppliers, customers and others

Supplier payment policy

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

Disabled employees

The Company recognises its responsibility to employ disabled persons in suitable roles and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion and adjustments are made to the working environment as required.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year directors' and Officers' liability insurance in respect of itself and its directors

ZWPV LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption for the year were as follows:

	kWh	CO2e Tonnes
Natural gas	100,116	18.28
Electricity grid and renewable biogas and biomass	1,090,668	210.91
	Litres	
Petrol and diesel	173,338	443.31
LPG	4,865	7.51
Total CO2e Tonnes		680.01
Greenhouse gas emissions intensity ratio 2022:		
CO2e tonnes per FTE		2.59

The Group's greenhouse gas emissions and energy consumption for the prior year were as follows:

	kWh	CO2e Tonnes
Natural gas	86,677	15.88
Electricity grid and renewable biogas and biomass	529,046	112.33
	Litres	
Petrol and diesel	138,831	348.71
LPG	2,052	3.2
Total CO2e Tonnes		480.12
Greenhouse gas emissions intensity ratio 2021:		
CO2e tonnes per FTE		2.19

The emissions and energy consumption reported above was calculated by collecting usage data from supplier invoices and using a conversion tool to calculate CO2e tonnes.

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

- A site level representative has been nominated to a central steering committee to manage our environmental activities and implement changes.
- The Group are actively progressing a formal accreditation of ESG compliance and have a framework of actions to deliver on these goals.
- Reviewing the potential to utilise green energy sources including solar, wind and water on our sites.

The Group consider their ESG responsibilities and commitments to be of high importance. We have therefore voluntarily disclosed our greenhouse gas emissions data.

ZWPV LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Going concern

The Group and the Company are financed through bank and shareholder debt and at an operating level is cash generative. Due to the way the business is financed, it has a net current, and total, liability position but the cashflows forecast enable liabilities to be met. The Group has prepared detailed forecasts for the next 12 month period ended 30 September 2024 and beyond, for a total of 5 years, including plausible downside scenarios, which show that the business maintains profitable trading. The business has also modelled a severe scenario which illustrates that the entity maintains profitable trading at up to a decrease of over 60% of its rider volume in the year. The Group is therefore expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and that the Group and Company has the ability to remain within its committed lending facilities. Projections of covenant compliance confirm that the entity will achieve compliance to its leverage covenant. The Group re-financed its banking facilities with HSBC at the end of 2022 and agreed the adoption of a Revolving Credit Facility of up to £15m.

The Group continues to monitor closely the impact of economic consumer uncertainty on market conditions. However, based on our management of the operations, current trading performance, and disciplined cash management procedures, the Group has confidence it has a strong and robust continuing cash flow. The directors have therefore prepared the financial statements on a going concern basis.

Independent Auditors

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

This report was approved by the board on 6 September 2023 and signed on its behalf.



S W Taylor
Director

ZWPV LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZMPV LIMITED

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2022; the Consolidated statement of comprehensive income, the Consolidated Statement of cash flows, and Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Our audit approach

Overview

Audit scope

- Full scope audit procedures performed over the complete financial information of two components.
- Audit coverage from full scope audit procedures is over 90% of the Group revenues.

Key audit matters

- Carrying value of investments in subsidiary companies (parent)
- Carrying value of goodwill (group)

Materiality

ZWPV LIMITED

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

- Overall group materiality: £499,900 (2021: £539,450) based on 5% of earnings before interest, taxation, depreciation, and amortisation (EBITDA).
- Overall company materiality: £399,900 (2021: £431,600) based on 1% of total assets (restricted by component materiality allocation).
- Performance materiality: £374,925 (2021: £404,587) (group) and £299,925 (2021: £323,700) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As a result of the listing of shareholder debt on The International Stock Exchange, key audit matters have been included for the first time this year.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<i>Carrying value of investments in subsidiary companies (parent)</i> At 31 December 2022, ZWPV Ltd's Company Balance Sheet reflects investments in subsidiary companies of £46,767,098 and the recoverability of this balance is dependent on the financial performance of the companies' subsidiaries. The balances has increased by £4,598,601 in the year following the acquisition of TreeTop Trek Limited in May 2022.	We have considered the impairment indicators as set out in the standard through consideration of the financial performance of each subsidiary during 2022 and up to the date of this opinion, as well as inquiries of management in relation to the existence of other indicators of impairment. Sufficient evidence has been obtained from the procedures noted above to conclude that there are no impairment triggers and therefore no impairment of investments is required.
<i>Carrying value of goodwill (group)</i> At 31 December 2022, the Consolidated Balance Sheet reflects goodwill of £24,460,823 (2021: £25,258,526). In accordance with the requirements of FRS 102, management have considered whether there are any indicators of impairment in relation to goodwill. No impairment indicators are deemed to exist and therefore no formal assessment of the carrying value has been undertaken.	We have considered the impairment indicators as set out in the standard through consideration of the financial performance of each subsidiary during 2022 and up to the date of this opinion, as well as inquiries of management in relation to the existence of other indicators of impairment. Sufficient evidence has been obtained from the procedures noted above to conclude that there are no impairment triggers and therefore no impairment of investments is required.

ZWPV LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZMPV LIMITED

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The ZWPV group of companies are providers of outdoor adventure experiences to retail customers in the United Kingdom. The Group's management and financial reporting functions are located centrally at the head office in Llanrwst, North Wales. The scoping of the Group audit focused on ZWPV Ltd, being the parent entity that holds the Group's key financing facilities, and Zip World Limited, being the key trading entity for the Group's sites and attractions. The contribution of TreeTop Trek Limited, which was acquired in May 2022, to the Group's results was not significant for the purposes of our audit scoping.

The Impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
<i>Overall materiality</i>	£499,900 (2021: £539,450).	£399,900 (2021: £431,600).
<i>How we determined it</i>	5% of earnings before interest, taxation, depreciation, and amortisation (EBITDA)	1% of total assets (restricted by component materiality allocation)
<i>Rationale for benchmark applied</i>	Based on the benchmarks used in the annual report, EBITDA is the primary measure used by the shareholders in assessing the performance of the group, and is a generally accepted auditing benchmark.	The entity does not trade and acts as a holding company within the ZWPV Ltd group. We therefore believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark. However, the calculation of materiality was restricted by our allocation of component materiality for the purposes of the Group audit.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £399,900 and £471,700. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall

ZWPV LIMITED

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

materiality, amounting to £374,925 (2021: £404,587) for the group financial statements and £299,925 (2021: £323,700) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £24,995 (group audit) (2021: £26,900) and £19,995 (company audit) (2021: £21,580) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

ZWPV LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZMPV LIMITED

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the 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 group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK health & safety and taxation regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate profits reported in order to maintain or increase value to shareholders of the Group. Audit procedures performed by the engagement team included:

- Discussions with management and legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

ZWPV LIMITED

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

- Reviewing Board minutes and reports that set out the Group's compliance and monitoring of legal and internal control matters; and
- Identifying and testing journal entries, in particular those having unusual account combinations involving revenues or other credits to the profit or loss account.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
06 September 2023

ZWPV LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	28,664,738	23,542,833
Other operating income	5	346,604	1,129,318
Other external charges		(10,557,677)	(6,952,103)
Exceptional other external charges		(141,085)	-
Staff costs		(8,261,543)	(6,855,775)
Depreciation and amortisation		(5,679,449)	(5,143,414)
Other operating expenses		(59,078)	(74,620)
Operating profit	6	4,312,510	5,646,239
Interest receivable and similar income	10	11,858	368
Interest payable and similar expenses	11	(4,215,069)	(3,778,240)
Profit before tax		109,299	1,868,367
Tax on profit	12	(1,296,201)	(1,310,144)
(Loss)/profit for the financial year		(1,186,902)	558,223
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(1,186,902)	558,223
		(1,186,902)	558,223

The notes on pages 25 to 52 form part of these financial statements.

ZWPV LIMITED
REGISTERED NUMBER: 11639745

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	24,639,708	25,258,526
Tangible assets	14	17,639,054	13,872,467
Investments	15	261,250	-
		<u>42,540,012</u>	<u>39,130,993</u>
Current assets			
Stocks	16	289,704	180,326
Debtors: amounts falling due within one year	17	947,575	991,470
Cash at bank and in hand	18	3,881,751	13,215,407
		<u>5,119,030</u>	<u>14,387,203</u>
Creditors: amounts falling due within one year	19	(5,558,160)	(4,926,150)
Net current (liabilities)/assets		<u>(439,130)</u>	<u>9,461,053</u>
Total assets less current liabilities		<u>42,100,882</u>	<u>48,592,046</u>
Creditors: amounts falling due after more than one year	20	(49,210,805)	(53,023,272)
Provisions for liabilities			
Deferred taxation	23	(1,191,045)	(664,026)
		<u>(1,191,045)</u>	<u>(664,026)</u>
Accruals and deferred income	24	(2,460,713)	(4,479,527)
Net liabilities		<u>(10,761,681)</u>	<u>(9,574,779)</u>
Capital and reserves			
Called up share capital	25	28,750	28,750
Share premium account	26	204,750	204,750
Capital redemption reserve	26	40,000	40,000
Merger relief reserve	26	234,000	234,000
Profit and loss account	26	(11,269,181)	(10,082,279)
Total shareholders' funds		<u>(10,761,681)</u>	<u>(9,574,779)</u>

ZWPV LIMITED
REGISTERED NUMBER: 11639745

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2023.



S W Taylor
Director

The notes on pages 25 to 52 form part of these financial statements.

ZWPV LIMITED
REGISTERED NUMBER: 11639745

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	15	46,767,098	42,168,497
		<u>46,767,098</u>	<u>42,168,497</u>
Current assets			
Debtors: amounts falling due within one year	17	-	2,987,788
Cash at bank and in hand	18	614,015	142,754
		<u>614,015</u>	<u>3,130,542</u>
Creditors: amounts falling due within one year	19	(11,847,253)	(1,571,071)
Net current (liabilities)/assets		<u>(11,233,238)</u>	<u>1,559,471</u>
Total assets less current liabilities		<u>35,533,860</u>	<u>43,727,968</u>
Creditors: amounts falling due after more than one year	20	(48,205,584)	(52,179,491)
Net liabilities		<u>(12,671,724)</u>	<u>(8,451,523)</u>
Capital and reserves			
Called up share capital	25	28,750	28,750
Share premium account	26	204,750	204,750
Capital redemption reserve	26	40,000	40,000
Merger relief reserve	26	234,000	234,000
Profit and loss account brought forward		(8,959,023)	(5,073,837)
Loss for the year		(4,220,201)	(3,885,186)
Profit and loss account carried forward		<u>(13,179,224)</u>	<u>(8,959,023)</u>
Total shareholders' funds		<u>(12,671,724)</u>	<u>(8,451,523)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2023.

S W Taylor
Director

The notes on pages 25 to 52 form part of these financial statements.

ZWPV LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2021	28,750	204,750	40,000	234,000	(10,640,502)	(10,133,002)	(10,133,002)
Comprehensive income for the year							
Profit for the year	-	-	-	-	558,223	558,223	558,223
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	558,223	558,223	558,223
Total transactions with owners	-	-	-	-	-	-	-
At 1 January 2022	28,750	204,750	40,000	234,000	(10,082,279)	(9,574,779)	(9,574,779)
Comprehensive income for the year							
Loss for the year	-	-	-	-	(1,186,902)	(1,186,902)	(1,186,902)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(1,186,902)	(1,186,902)	(1,186,902)
Total transactions with owners	-	-	-	-	-	-	-

ZWPV LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

At 31 December 2022	<u>28,750</u>	<u>204,750</u>	<u>40,000</u>	<u>234,000</u>	<u>(11,269,181)</u>	<u>(10,761,681)</u>	<u>(10,761,681)</u>
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The notes on pages 25 to 52 form part of these financial statements.

ZWPV LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2021	28,750	204,750	40,000	234,000	(5,073,837)	(4,566,337)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(3,885,186)	(3,885,186)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(3,885,186)	(3,885,186)
Total transactions with owners	-	-	-	-	-	-
At 1 January 2022	28,750	204,750	40,000	234,000	(8,959,023)	(8,451,523)
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,220,201)	(4,220,201)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(4,220,201)	(4,220,201)
Total transactions with owners	-	-	-	-	-	-
At 31 December 2022	28,750	204,750	40,000	234,000	(13,179,224)	(12,671,724)

The notes on pages 25 to 52 form part of these financial statements.

ZWPV LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	(1,186,902)	558,223
Adjustments for:		
Amortisation of intangible assets	3,798,668	3,608,361
Depreciation of tangible assets	1,880,781	1,535,053
Loss on disposal of tangible assets	(15,260)	-
Government grants	(36,737)	(22,404)
Interest paid	3,823,174	3,538,568
Interest received	(11,858)	(368)
Taxation charge	1,296,201	1,310,144
(Increase) in stocks	(109,377)	(46,215)
Decrease in debtors	147,419	477,297
(Decrease)/increase in creditors	(1,424,797)	1,339,609
Corporation tax (paid)/received	(1,397,582)	-
Foreign exchange	55,386	-
Release of debt fees	391,895	239,670
Net cash generated from operating activities	7,211,011	12,537,938
Cash flows from Investing activities		
Purchase of intangible fixed assets	(115,000)	-
Purchase of tangible fixed assets	(5,348,177)	(4,605,868)
Sale of tangible fixed assets	62,000	-
Purchase of unlisted and other investments	(261,250)	-
Government grants received	430,000	-
Purchase of fixed asset investments (net of cash acquired)	(2,337,890)	-
Interest received	11,858	368
HP interest paid	(4,139)	(3,493)
Net cash used in investing activities	(7,562,598)	(4,608,993)

ZWPV LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
New secured loans	5,000,000	-
Repayment of loans	(12,897,436)	(1,148,718)
Other new loans	-	2,670,000
Repayment of other loans	(333,750)	-
New finance leases/(repayment of finance leases)	(64,500)	22,764
Loans due from/(repaid to) directors	105,000	-
Shares treated as debt - issued	20,000	-
Interest paid	(784,683)	(683,132)
Expenses paid in relation to debt issue	(26,700)	-
Net cash generated from/(used in) financing activities	(8,982,069)	860,914
Net (decrease)/increase in cash and cash equivalents	(9,333,656)	8,789,859
Cash and cash equivalents at beginning of year	13,215,407	4,425,548
Cash and cash equivalents at the end of year	3,881,751	13,215,407
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,881,751	13,215,407
	3,881,751	13,215,407

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General Information

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

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

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 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

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

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

2.2 Financial Reporting Standard 102 - Reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.489(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in these consolidated financial statements.

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.

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Going concern

The Group and the Company are financed through bank and shareholder debt and at an operating level is cash generative. Due to the way the business is financed, it has a net current, and total, liability position but the cashflows forecast enable liabilities to be met. The Group has prepared detailed forecasts for the next 12 month period ended 30 September 2024 and beyond, for a total of 5 years, including plausible downside scenarios, which show that the business maintains profitable trading. The business has also modelled a severe scenario which illustrates that the entity maintains profitable trading at up to a decrease of over 60% of its rider volume in the year. The Group is therefore expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future and that the Group and Company has the ability to remain within its committed lending facilities. Projections of covenant compliance confirm that the entity will achieve compliance to its leverage covenant. The Group re-financed its banking facilities with HSBC at the end of 2022 and agreed the adoption of a Revolving Credit Facility of up to £15m.

The Group continues to monitor closely the impact of economic consumer uncertainty on market conditions. However, based on our management of the operations, current trading performance, and disciplined cash management procedures, the Group has confidence it has a strong and robust continuing cash flow. The directors have therefore prepared the financial statements on a going concern basis.

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 Operating leases: the Group as lessee

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

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

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Leased assets: the Group as lessee

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

2.8 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 profit or loss 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 Consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss 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.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Exceptional items

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

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.15 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
Website	-	3	years

2.16 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.

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

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.16 Tangible fixed 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:

Freehold property	- 4%
Plant and machinery	- 10%-25%
Motor vehicles	- 25%
Fixtures and fittings	- 25%
Assets under 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 profit or loss.

Assets under construction is comprised of ongoing spend on projects to develop new sites, attractions and adventure activities.

2.17 Impairment of fixed assets and goodwill

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

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.19 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 financial statements, 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.

2.20 Stocks

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

2.21 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.

2.22 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.

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.23 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.

2.24 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.25 Financial Instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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.

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Fair value of assets and liabilities acquired in a business combination

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

Goodwill amortisation

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

Useful economic lives of tangible and intangible assets

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The remaining useful economic life and residual values of the main assets of the group are considered a source of estimation uncertainty. See note 13 for the carrying amount of the intangible assets and note 2.15 for the economic useful lives for each class of Intangible assets. See note 14 for the carrying amount of the tangible assets and note 2.16 for the economic useful lives for each class of tangible assets.

4. Turnover

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

	2022 £	2021 £
Adventure sales	23,883,862	20,331,188
Sale of goods	4,550,513	3,163,714
Other sales	56,379	47,931
Accommodation sales	173,984	-
	<u>28,664,738</u>	<u>23,542,833</u>

All turnover arose within the United Kingdom.

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022	2021
	£	£
Other operating income	112,604	120,719
Furlough scheme grant	-	552,599
Revenue grants	234,000	456,000
	346,604	1,129,318

Revenue grants relate to Welsh Government and Local Council support to help cover costs during the CV19 pandemic forced site closures.

Furlough Scheme Grants relate to the Coronavirus Job Retention Scheme for when staff were placed on furlough whilst the business was closed to trading.

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Exchange differences	59,078	74,620
Tangible fixed assets - depreciation	1,880,781	1,535,053
Intangible fixed assets - amortisation	3,798,668	3,608,361
Other operating lease rentals	2,262,009	1,901,114

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	26,600	18,000
Fees payable to the Group's auditor and its associates for the audit of the Company's subsidiaries	38,100	27,100
	<u>64,700</u>	<u>45,100</u>
Fees payable to the Group's auditor and its associates for other services:		
Taxation compliance services	43,510	32,295
Other services relating to taxation	44,045	6,300
All other services	30,500	5,000
	<u>118,055</u>	<u>43,595</u>

8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	7,581,252	6,389,988	934,224	662,856
Social security costs	524,965	389,514	93,568	84,589
Pension costs	212,568	80,430	133,382	20,854
	<u>8,318,785</u>	<u>6,859,932</u>	<u>1,161,174</u>	<u>768,299</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Operations	583	448	5	6

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	934,224	662,856
Company contributions to defined contribution pension schemes	133,382	20,854
	<u>1,067,606</u>	<u>683,710</u>

During the year retirement benefits were accruing to 5 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £303,786 (2021 - £220,627).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £80,000 (2021 - £NIL).

The total accrued pension provision of the highest paid director at 31 December 2022 amounted to £8,400 (2021 - £NIL).

During the year remuneration of £876,981 (2021: £662,856) was paid to key management personnel who are considered to be the directors.

10. Interest receivable

	2022 £	2021 £
Other interest receivable	11,858	368
	<u>11,858</u>	<u>368</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	714,422	681,319
Other loan interest payable	3,104,614	2,853,758
Finance leases and hire purchase contracts	4,138	3,493
Release of debt fees	391,895	239,670
	<u>4,215,069</u>	<u>3,778,240</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	784,201	832,822
	<u>784,201</u>	<u>832,822</u>
Total current tax	<u>784,201</u>	<u>832,822</u>
Deferred tax		
Origination and reversal of timing differences	512,000	350,552
Effect of changes to tax rates	-	126,770
Total deferred tax	<u>512,000</u>	<u>477,322</u>
Taxation on profit/(loss)	<u>1,296,201</u>	<u>1,310,144</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) before tax	109,300	1,868,367
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	20,767	354,990
Effects of:		
Expenses not deductible for tax purposes	1,020,920	853,017
Capital allowances for year in excess of depreciation	222,503	(71,410)
Utilisation of tax losses	-	(5,825)
Adjustments in respect of prior periods	(3,311)	-
Effect of changes to tax rates	-	126,770
Deferred tax not recognised	35,322	52,602
Total tax charge for the year	<u>1,296,201</u>	<u>1,310,144</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)**Factors that may affect future tax charges**

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2020 to 31 March 2023 remains at 19% but the rate from 1 April 2023 will increase to 25%. Deferred taxes at the reporting date have been measured using these enacted tax rates and reflected in these financial statements

13. Intangible assets**Group and Company**

	Website £	Goodwill £	Total £
Cost			
At 1 January 2022	74,093	36,083,612	36,157,705
Additions	-	115,000	115,000
On acquisition of subsidiaries	6,268	3,058,582	3,064,850
At 31 December 2022	80,361	39,257,194	39,337,555
Amortisation			
At 1 January 2022	74,093	10,825,086	10,899,179
Charge for the year on owned assets	3,265	3,795,403	3,798,668
At 31 December 2022	77,358	14,620,489	14,697,847
Net book value			
At 31 December 2022	3,003	24,636,705	24,639,708
At 31 December 2021	-	25,258,526	25,258,526

Goodwill

The goodwill addition arose via the indirect acquisition of the trade and assets of a hotel, the Tyn y Coed, in North Wales.

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under constructio n £	Total £
Cost or valuation						
At 1 January 2022	6,674,169	9,722,820	247,638	1,215,543	219,496	18,079,666
Additions	1,285,550	2,048,607	189,779	239,651	1,584,590	5,348,177
Acquisition of subsidiary	21,704	323,488	-	739	-	345,931
Disposals	-	-	(80,125)	-	-	(80,125)
Transfers between classes	(14,858)	7,720	-	-	7,138	-
At 31 December 2022	7,966,565	12,102,635	357,292	1,455,933	1,811,224	23,693,649
Depreciation						
At 1 January 2022	766,036	2,500,879	105,836	834,448	-	4,207,199
Charge for the year on owned assets	329,805	1,327,784	62,911	160,281	-	1,880,781
Disposals	-	-	(33,385)	-	-	(33,385)
Transfers between classes	(8,844)	8,844	-	-	-	-
At 31 December 2022	1,086,997	3,837,507	135,362	994,729	-	6,054,595
Net book value						
At 31 December 2022	6,879,568	8,265,128	221,930	461,204	1,811,224	17,639,054
At 31 December 2021	5,908,133	7,221,941	141,802	381,095	219,496	13,872,467

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

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

	2022 £	2021 £
Motor vehicles	-	66,771
	<u>-</u>	<u>66,771</u>
	<u>-</u>	<u>66,771</u>

15. Fixed asset investments

Group

	Unlisted investments £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 January 2022	-	4	4
Additions	261,250	-	261,250
	<u>261,250</u>	<u>4</u>	<u>261,254</u>
At 31 December 2022	<u>261,250</u>	<u>4</u>	<u>261,254</u>
Impairment			
At 1 January 2022	-	4	4
	<u>-</u>	<u>4</u>	<u>4</u>
At 31 December 2022	<u>-</u>	<u>4</u>	<u>4</u>
Net book value			
At 31 December 2022	<u>261,250</u>	<u>-</u>	<u>261,250</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	42,168,497
Additions	4,598,601
At 31 December 2022	46,767,098
Net book value	
At 31 December 2022	46,767,098
At 31 December 2021	42,168,497

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Zip World Group Holdings Limited	Zip World Base Camp, Denblgh Street, Llanrwst, Wales, LL26 0LL	Holding company	Ordinary	100%
Treøtop Trek Limited	Zip World Base Camp, Denbigh Street, Llanrwst, LL26 0LL	Adventure activities	Ordinary	100%

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Fixed asset investments (continued)**Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Zip World Limited	Zip World Base camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Adventure Activities	Ordinary	100%
Zip World Fforest Limited	Zip World Base camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Adventure activities	Ordinary	100%
Zip World RAK Limited	Zip World Base camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Dormant	Ordinary	100%
Bounce Below Limited	Zip World Base camp, Denbigh Street, Llanrwst, Wales, LL26 0LL	Dormant	Ordinary	100%

Joint venture

The Company and the Group has an indirect 50% holding in a joint venture:

Name: Zip World Adventure Hotel Limited

Registered office: Zip World Base Camp, Denbigh Street, Llanrwst, Wales, LL26 0LL

Principal activity: Development of building projects

Unlisted Investment

During the year the Company and the Group acquired an indirect, minority interest in the share capital of The Social Commerce Platform Limited

16. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	289,704	180,326
	289,704	180,326

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	248	-	-	-
Amounts owed by group undertakings	57,243	-	-	2,987,788
Amounts owed by joint ventures and associated undertakings	94,460	94,460	-	-
Other debtors	294,624	285,970	-	-
Prepayments and accrued income	501,000	610,586	-	-
Tax recoverable	-	454	-	-
	<u>947,575</u>	<u>991,470</u>	<u>-</u>	<u>2,987,788</u>

18. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	3,881,751	13,215,407	614,015	142,754
	<u>3,881,751</u>	<u>13,215,407</u>	<u>614,015</u>	<u>142,754</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	4,945	1,191,612	4,945	1,191,612
Other loans	681,324	333,750	681,324	333,750
Trade creditors	846,127	521,930	30,567	-
Amounts owed to group undertakings	57,243	-	10,427,625	-
Corporation tax	428,115	834,636	-	-
Other taxation and social security	454,286	132,484	-	-
Obligations under finance lease and hire purchase contracts	-	13,678	-	-
Other creditors	527,321	274,474	-	-
Accruals and deferred income	2,558,799	1,623,586	702,792	45,709
	5,558,160	4,926,150	11,847,253	1,571,071

Disclosure of the terms and conditions attached to the non-equity shares is made in note 25.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	4,875,460	11,388,692	4,875,460	11,388,692
Other loans	24,132,097	23,221,253	24,132,097	23,221,253
Net obligations under finance leases and hire purchase contracts	-	50,822	-	-
Other creditors	652,111	710,912	120,000	15,000
Government grants received	473,110	97,047	-	-
Accruals and deferred income	5,198,527	3,695,046	5,198,527	3,695,046
Share capital treated as debt	13,879,500	13,859,500	13,879,500	13,859,500
	49,210,805	53,023,272	48,205,584	52,179,491

Disclosure of the terms and conditions attached to the non-equity shares is made in note 25.

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	4,945	1,191,612	4,945	1,191,612
Other loans	681,324	333,750	681,324	333,750
	686,269	1,525,362	686,269	1,525,362
Amounts falling due 1-2 years				
Bank loans	-	1,148,718	-	1,148,718
Other loans	667,500	667,500	667,500	667,500
	667,500	1,816,218	667,500	1,816,218
Amounts falling due 2-5 years				
Bank loans	4,875,460	10,239,974	4,875,460	10,239,974
Other loans	23,464,597	22,553,753	23,464,597	22,553,753
	28,340,057	32,793,727	28,340,057	32,793,727
	29,693,826	36,135,307	29,693,826	36,135,307

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Loans (continued)

The Group refinanced its bank lending during December 2022. The previous term loans were repaid and a new revolving credit facility ("RCF") was obtained. The amount of RCF drawn down at 31 December 2022 was £5,000,000. The total RCF commitment is £15,000,000. The RCF is interest bearing at a margin between 3% to 3.75% over SONIA. The termination date of the RCF is 31 December 2025.

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

Other loans principally comprise:

- £3 million (2021: £3 million) vendor loan notes, plus accrued interest of £783,347 (2021: £607,908), which are repayable in full on 24 December 2026 or earlier in the event of a listing or sale of the business. Interest accrues at a margin of 5% over LIBOR and is repayable at the same time the loan notes are redeemed.

- £9,379,294 (2021: £8,681,637) in respect of A1 secured loan notes and £9,379,294 (2021: £8,681,637) in respect of A2 unsecured loan notes, which both attract interest at a fixed rate per annum of 8% and both are repayable in full in December 2025. Up to 50% of interest is repayable in quarterly instalments from 1 January 2020 with the remainder payable on an exit event or the redemption of the loan notes issued by the Company.

- £2,336,250 (2021: £2,670,000) secured loan from The County Council of the City and County of Cardiff which is repayable in instalments until August 2026. The loan is interest bearing at 4.5%.

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

The Cardiff Council loan is secured on the assets of the Group by means of a fixed and floating debenture charge.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	-	13,678
Between 1-5 years	-	50,822
	<hr/>	<hr/>
	-	(64,500)
	<hr/>	<hr/>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Deferred taxation

Group

	2022 £
At beginning of year	(664,026)
Charged to profit or loss	(512,000)
Arising on business combinations	(15,019)
At end of year	<u>(1,191,045)</u>

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(1,191,045)	(664,026)
	<u>(1,191,045)</u>	<u>(664,026)</u>

24. Accruals and deferred income

	Group 2022 £	Group 2021 £
Deferred income	(2,460,713)	(4,479,527)
	<u>(2,460,713)</u>	<u>(4,479,527)</u>

25. Share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
200,000 (2021 - 200,000) A Ordinary Shares of £0.01 each	2,000	2,000
200,000 (2021 - 200,000) B Ordinary Shares of £0.10 each	20,000	20,000
67,500 (2021 - 67,500) C Ordinary Shares of £0.10 each	6,750	6,750
	<u>28,750</u>	<u>28,750</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Share capital (continued)

	2022	2021
	£	£
Shares classified as debt		
Allotted, called up and fully paid		
13,879,500 (2021 - 13,859,500) Preference Shares shares of £1.00 each	13,879,500	13,859,500

The shares of the company carry the following key rights:

Voting

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

Appointment of directors

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

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

Dividends

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

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

Return of capital

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

The Company issued 20,000 preference shares of £1.00 each during the year. These were subscribed for by a director of the company and £20,000 was received in consideration.

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

26. Reserves**Share premium account**

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

Capital redemption reserve

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

Merger Reserve

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

Profit and loss account

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

27. Analysis of net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	13,215,407	(9,333,656)	-	3,881,751
Debt due after 1 year	(48,469,445)	6,728,718	(1,146,330)	(42,887,057)
Debt due within 1 year	(1,525,839)	1,525,362	(685,792)	(686,269)
Finance leases	(64,500)	64,500	-	-
	<u>(36,844,377)</u>	<u>(1,015,076)</u>	<u>(1,832,122)</u>	<u>(39,691,575)</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28. Business combinations

The Group acquired 100% of the share capital of Treetop Trek Limited on 30 May 2022

Acquisition of Treetop Trek Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	345,931	-	345,931
Intangible	6,268	-	6,268
	<u>352,199</u>	<u>-</u>	<u>352,199</u>
Current Assets			
Debtors	62,107	-	62,107
Cash at bank and in hand	1,788,211	-	1,788,211
	<u>2,202,517</u>	<u>-</u>	<u>2,202,517</u>
Total Assets			
Creditors			
Due within one year	(647,479)	-	(647,479)
Deferred taxation	(15,019)	-	(15,019)
	<u>1,540,019</u>	<u>-</u>	<u>1,540,019</u>
Total identifiable net assets			
	<u>1,540,019</u>	<u>-</u>	<u>1,540,019</u>
Goodwill			3,058,582
Total purchase consideration			<u>4,598,601</u>
Consideration			
			£
Cash			4,001,739
Deferred consideration			472,500
Directly attributable costs			124,362
Total purchase consideration			<u>4,598,601</u>

ZWPV LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28. Business combinations (continued)

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	4,001,739
Directly attributable costs	124,362
	4,126,101
Less: Cash and cash equivalents acquired	(1,788,211)
Net cash outflow on acquisition	2,337,890

The results of Treetop Trek Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	1,265,971
Profit for the period since acquisition	349,196

29. Capital commitments

At 31 December 2022 the Group had capital commitments as follows:

	Group 2022 £	Group 2021 £
Contracted for but not provided in these financial statements	1,663,848	-
	1,663,848	-

30. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £212,568 (2021 - £80,430). Contributions totalling £31,278 (2021 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

ZWPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

31. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	421,986	415,398
Later than 1 year and not later than 5 years	1,160,643	1,333,707
Later than 5 years	6,650,000	6,888,333
	<u>8,232,629</u>	<u>8,637,438</u>

32. Related party transactions

During the year the Group purchased goods and services worth £148,269 (2021: £126,600) from Snowdonia Services Cyf, a company owned by S W Taylor, a director of the Group.

Various directors have previously prescribed for preference share capital issued by the Group. Interest of £1,503,482 (2021: £1,300,337) was accrued on these shares during the year. £20,000 of preference shares were issued and subscribed for by a director during the year.

Various directors have also previously provided the Group with interest free loans. Two interest free loans of £100,000 and £5,000 were provided to the Group by directors during the year.

Lloyds Development Capital ("LDC"), a significant shareholder in the Group, charged the group £47,835 (2021: £37,500) in respect of investment monitoring fees in the year.

LDC have previously subscribed for A1 and A2 loan notes issued by the Group. Interest charges of £1,395,313 (2021: £1,328,195) were accrued under the effective interest rate method during the year.

£94,460 (2021: £94,460) is owed to the Group as at 31 December 2022 by Zip World Adventure Hotel Limited, a company which is 50% owned by the Group. The loan is interest free and repayable on demand.

33. Controlling party

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

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