

TWYCROSS ZOO-EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

England & Wales · Charity number 501841

Details

Other names	TWYCROSS ZOO
Status	Registered
Legal form	Charitable company
Company number	01060956
Registered	1972-09-21
Register	View on the Charity Commission register

Contact

Address	Twycross Zoo Burton Road Twycross Atherstone CV9 3PX
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Website	www.twycrosszoo.org

Activities

Objects: 1. TO EDUCATE THE PUBLIC IN GREATER KNOWLEDGE, INTEREST AND APPRECIATION OF FAUNA, FLORA AND NATURAL KINGDOM. 2. TO PROMOTE, FACILITATE AND ENCOURAGE THE STUDY OF BIOLOGY, ZOOLOGY VETERINARY SCIENCE, ANIMAL PHYSIOLOGY, AVICULTURE, AQUARIA, ICHTHYOLOGY, ENTOMOLOGY, BOTANY, AGRICULTURE, HORTICULTURE AND KINDRED SCIENCES AND TO DISSEMINATE THE RESULTS. 3. TO PROVIDE AND ASSIST IN THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION IN THE INTERESTS OF SOCIAL WELFARE.

Activities: The charity's principal charitable activity is the enhancement of animal welfare, conservation, research and education. The charity also carries out retail and catering activities to generate additional income for the benefit of the charitable activity.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Animals, Environment/conservation/heritage, Recreation
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE LEICESTERSHIRE AND WARWICKSHIRE
- Leicestershire
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£14,571,000	£16,780,000	£20,016,000	170
2023-12-31	£11,965,000	£16,120,000	£21,364,000	183
2022-12-31	£13,812,000	£14,936,000	£25,527,000	169
2021-12-31	£10,522,926	£10,808,346	£26,505,046	123
2020-12-31	£9,926,883	£9,637,173	£23,516,848	137

Trustees

Name	Role	Appointed
Geoffrey William Hoon	Chair	2017-10-02
Dipa Beckett		2023-01-01
Elizabeth Ann Hardwick-Smith		2021-06-28
Helen Jane Mitchell		2019-12-16
Malcolm Bennett		2023-12-11
Philip Colin Popham		2023-12-11
Professor Gary England		2016-04-21
Timothy Paul Maxted		2022-10-24
Trevor Payne		2021-06-28

TWYCROSS ZOO-EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

England & Wales - Charity number 501841

Accounts

Charity registration number 501841

Company registration number 1060956 (England and Wales)

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Rt. Hon. G W Hoon G England E Hardwick-Smith H Mitchell T B Payne T Maxted D Beckett P Popham M Bennett
Secretary	Ms M A Dytham
Charity number	501841
Company number	1060956
Registered office	Norton Grange Burton Road Norton-Juxta-Twycross Atherstone Warwickshire United Kingdom CV9 3PX
Auditor	Forvis Mazars LLP Park View House 58 The Ropewalk Nottingham NG1 5DW
Bankers	Metro Bank One Southampton Row London United Kingdom WC1B 5HA

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

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TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

CONSTITUTION

Twycross Zoo – East Midland Zoological Society Limited ("Twycross Zoo" and "the Zoo") is a private company limited by guarantee (incorporated in England and Wales with company registration number 1060956) governed by adopted Articles of Association as amended 24 June 2019. The Trust is also constituted as a registered charity with the Charity Commission – charity registration number 501841.

The Board of Trustees ("the Board") confirm that the financial statements comply with current generally accepted accounting principles.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The board of directors are the trustees of the charity supported by the executive management team who together comprise the key management personnel of the charity. The executive management team are in charge of directing controlling, running and operating the Zoo on a day-to-day basis.

Committee (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are:

Rt. Hon. G W Hoon (Chairman)
H S Dua (Resigned 24th March 2025)
G C W England
E A Hardwick-Smith
H J Mitchell
T B Payne
T Maxted
D K Beckett
P C Popham
M Bennett

KEY MANAGEMENT PERSONNEL

C Dunkerley	CEO
C Watson	Finance Director
R Biddle	Director of Conservation
J Gurr	Operations and Commercial Director – Resigned Nov 2024
J Turner	Marketing Director

TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Objectives and activities

The charity's principal charitable objectives include the enhancement of animal welfare, conservation, education, research, and recreation for the visiting public. The group also carries out retail and catering activities to generate additional income through its subsidiary company, Zoo Park (Twycross) Limited. The Trust owns and manages Zoological Gardens at Norton-Juxta-Twycross in Leicestershire covering an area of some 95 acres.

As part of the recently introduced Conservation Strategy, the Trust set out six key conservation goals:

1. Support zoo animal populations
2. Protect wild species and habitats globally
3. Inspire positive change for wildlife
4. Enhance the value of zoos for society and nature
5. Care for our UK ecosystems
6. Becoming environmentally sustainable

These goals are underpinned by our key strategic impact areas being:

- Our animals, where we actively contribute to species survival,
- Our people, where we strive to be the best zoo to work at and,
- Our underlying guest obsession.

All of this being delivered while we ensure the Trust continues to build financial resilience, generating an income to fulfil all of the above while also protecting our future stability.

Guiding all that is done and the decisions that are made, the Conservation Strategy enables the Trust to prioritise, think bigger, collaborate more and ensure that its activities have impactful results for wildlife, its guests and its people. 2024 has been a year of change and the Trust has moved at great pace. This is testament to the dedication of our people, supporters and guests who make all this work possible by visiting Twycross Zoo.

Significant progress has been against each of the six key conservation goals. From the arrival of four new threatened primate species and 29 animal births and hatches in 2024, to the support for wild populations of spider monkeys, howler monkeys, Ecuadorian amazon parrots and bonobos, the team have led the way and now hold 40 positions of influence within the professional zoo associations. Collaboration is core to the ethos at Twycross Zoo and the work in these forums enhances the impact that zoos can have together, globally, by driving best practice for the future of conservation zoos. Alongside this, the Trust has inspired 45,000 school students through learning programmes and welcomed more than 700,000 visitors to our zoo.

Support zoo animal populations

To care for healthy ex-situ populations of managed species (EEPs), with a focus on threatened primates and species with a direct conservation role.

At the end of 2024, Twycross Zoo was home to 69 species and 370 individual animals (excluding butterflies and ants). Of these 65% were part of EAZA ex Situ Programmes (EEPs), an increase from 61% in 2023, working towards our goal of 75% by 2030. These programmes are designed to minimise extinction risk to species, by ensuring the existence of a demographically and genetically healthy zoo population across Europe.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

To achieve greatest conservation impact, efforts are focused on the species that need help the most, and in 2024 the number of threatened species (as defined by the IUCN Red List) at Twycross Zoo was increased from 42% (2023) to 54%, moving toward a 2030 goal of 60%.

To enable species conservation and effective management of animal populations, zoos that are members of EAZA work to ensure that every species in their care (>500) has a Species Coordinator. This person is responsible for ensuring that the zoo population remains healthy, both demographically and genetically. To ensure that the Trust is leading the way in species conservation, the number of EEPs coordinated by Twycross Zoo staff was increased from 4 to 6, in 2024. The role of an EEP coordinator includes keeping a central database of all the animals of that species within Europe, analysing the population regularly, and working with zoos across Europe to make recommendations for breeding and transfers.

In 2024, there were 29 animal births and hatches at Twycross Zoo. Highlighting expertise in primate care and welfare, this included one coppery titi monkey, one Geoffroy's spider monkey, two François' langurs as part of European conservation programmes. Additionally on tufted deer was successfully bred as Twycross Zoo continues to be the only zoo in the UK that houses this species. There were also the hatchlings of 15 stick insects and 3 rainbow lorikeets.

In 2023 a new comprehensive Species Planning Tool (SPT) was launched by the team to assist in choosing which species we care for at Twycross Zoo, to again maximise conservation impact. This tool scores species based on their IUCN status, the sustainability of their EEP, alongside the educational and scientific value to conservation. It is vital that we utilise the Trusts limited resources most effectively and in 2024 a significant improvement was made in this regard for primate species. Utilising the SPT, the curator team identified four new primate species to care for. In 2024 the Trust successfully imported silvery gibbons (endangered), golden lion tamarins (endangered), greater bamboo lemurs (critically endangered) and mongoose lemurs (critically endangered)

To enable EEPs to run effectively, the Trust must work with colleagues across Europe to transfer animals regularly between zoos. In 2024 24 species (36 individuals) were moved into and out of Twycross Zoo. In May 2024 the third French primate export, of four Diana monkeys to two different zoos in France, was carried out. Since the UK left the EU, animal health requirements for primates entering France (and other countries) have been revised, and have become unfortunately much more difficult for the UK. The pre-export testing and quarantine conditions needed are set out in legal documents, and have become increasingly restrictive, so carrying out these transfers successfully was a huge success for the team.

Twycross Zoo is making a strategic decision to invest resources into science which has been commissioned by staff from across the organisation. Twycross Zoo staff are at the heart of project initiation, development and facilitation, allowing us to align our research closely to our conservation strategy. An example of this, is a body of work commissioned by Twycross Zoo involving researchers from London Metropolitan University. Combining expertise in animal welfare and sound engineering, this work aims to understand the zoo's soundscape focusing on both anthropogenic and biological sounds. From this the team can uncover how the animals at the zoo communicate with conspecifics and their environment, allowing the team to optimise their welfare from an acoustic perspective. Another project involves researchers from Nottingham Trent University and is focused on utilising artificial intelligence to enhance the welfare for the Zoo's Chimpanzees. This revolutionary PhD project brings Twycross Zoo staff together with leaders in computer science and zoo animal welfare. Outputs of this research will harness the power of artificial intelligence, allowing more strategic resource allocation and optimisation of evidence-based management decisions for the species.

As part of comprehensive animal welfare assessment processes, in 2024 assessments were carried out on all animals at the zoo, in conjunction with the animal keeping team and veterinarians. To drive best practice in animal welfare assessment, a member of our team is currently conducting a PhD studentship with the University of Wolverhampton, to inform methodology for zoo animal welfare assessment, building an evidence-based approach for the enhancement of current welfare assessment protocols. With far-reaching impact, this project has the potential to have a positive influence on animal welfare in zoos across Europe.

TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Protect wild species and habitats

In 2022 Twycross Zoo restructured its in situ conservation fund, to ensure alignment with its conservation goals as an organisation. As part of this, projects are prioritised that focus on great apes or EEP species that the Zoo coordinates, involve local conservation organisations or locally employed staff, build capacity to enable continued and effective conservation of wildlife, and have clear indicators to measure success and conservation impact.

The Zoo currently supports in situ international conservation partners to support wild populations of:

- Bonobos through working with Friends of Bonobos
- Orangutans through working with Borneo Nature Foundation
- Cao vit gibbon through working with Fauna and Flora
- Howler monkeys and Spider monkeys through working with Wildtracks
- Ecuadorian amazon parrots through working with Amazona Lilacina
- Anoa, Babirusa and Sumatran tiger through working with Action Indonesia

2024 saw the introduction of a new project for Twycross Zoo by joining the 'Action Indonesia' international partnership coordinating the Global Species Management Plans (GSMPs) for anoa, banteng, babirusa, and Sumatran tiger. Over 50 institutions are involved combining the skills, resources and expertise of both the zoo community and in situ conservationists to achieve stable wild and captive global populations of these species, with activities focused around the following goals: To reach a demographically and genetically healthy global ex situ population, to raise awareness among zoo visitors, to use zoo expertise to help in situ conservation and to prioritise and support in situ projects. Funding from the Trust will be used to support training workshops for Indonesian zookeepers, zoo educators, and government workers. As well as this, work has commenced with Action Indonesia Education Working Group, providing technical support to develop training programmes and prepare education materials.

In 2023 the Trust launched an ambitious target as part of the global Reverse the Red initiative to reverse the decline of 15 species before 2030. The aims are to reverse the current negative trends in species survival and to: "ignite optimism and collaborative action to guarantee the survival of all species we share this planet with, and the ecosystems they live in and to empower communities around the world." At Twycross Zoo the Reverse the Red target spans conservation goal two (international projects) and five (native species) and will focus on species for which the Trust is making a concerted effort to have demonstrable positive impact on their populations, and those we are able to monitor progress against using species recovery curves.

In 2024 the Trust increased its capacity for in situ conservation in comparison to 2023. Whilst work on the zoo site, protecting ex situ populations of paramount importance, it is important that this is coupled with work to ensure that populations, habitats and ecosystems exist in the wild, to enable species survival.

Capacity building and training in conservation skills is essential to future proof conservation efforts. As part of a commitment to conservation the Trust has a target for days of technical staff support time for in situ wild population conservation. In 2024, seven team members, across different zoo departments were involved with field conservation and shared their wide array of skills. This included a trip to Guinea Bissau to support the work of researchers from University of Derby in developing new eDNA methods to detect the presence of chimpanzees, and travelling to Indonesia to support the work of Borneo Nature Foundation.

Since 2019 Twycross Zoo has supported the work of Wildtracks in Belize in the rehabilitation and release of primates. In 2024 Twycross Zoo supported research as part of a masters degree investigating the long-term success of the Yucatán black howler monkey rehabilitation and release program in Belize's Northeastern Biological Corridor. Coordinated by project partner Wildtracks, this project has seen 78 howler monkeys released over a 12-year period, some with zoo support. During the study period 118 individual howler monkeys were identified in 23 troops, demonstrating population growth and successful reproduction, including multiple wild-born generations.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Released monkeys displayed activity budgets, feeding behaviours, and territoriality similar to fully wild individuals. They spent comparable proportions of time resting, feeding, and socializing, consumed a diverse diet, and established stable home ranges with limited overlap. These similarities underscore the effectiveness of Wildtracks' evidence-based protocols, which include staged rewilding, social group formation, and pre-release acclimatisation.

This research provides evidence that Wildtrack's ongoing reintroductions of howler monkeys are successful. Further to this, these evidence-based reintroductions can act as a model for other rehabilitation centres in the region and internationally. In the future, we hope to work with Wildtracks to extend this research to the other primate species they work with, Geoffroy's spider monkey.

For the past five years Twycross Zoo has been supporting the work of Borneo Nature Foundation (BNF) - a not-for-profit wildlife conservation and research organisation that protects and safeguards tropical rainforests and the environment in Borneo. In 2024 the Zoo developed a new three-year project, recognising that and whilst successful conservation can take many decades, enabling financial security for as long a period as possible enables a project to have greater impact. The focus of this project is to continue environmental education activities within the fringes of orangutan forest habitat and expand on these by creating a scholarship to promote higher education studies in wildfire and conservation, for young adults. Additionally, the work of the BNF education team helps to empower indigenous people and local forest dependent communities to become guardians of their forests. Education and awareness programmes are critically important for changing public attitudes and behaviour to support conservation goals as well as helping people make links between their activities and conservation impacts. This awareness motivates people to act against threats to wildlife (e.g. forest fires, illegal logging, hunting) and to support conservation in general. The team at Twycross Zoo, has provided support to the BNF education team including training in education theory from a formal education structure, and how the implantation of such techniques can benefit outcomes. This collaboration will continue, to aid in development of education materials, complete with monitoring and evaluation methods to enables the determination of the success of the project, and its conservation impact.

Inspire positive change for wildlife

Twycross Zoo delivers extensive informal and formal education programmes to educate, inspire and involve guests in the mission of species conservation, with over 91,000 guests attending a talk during 2024. As part of the informal education delivery, guests are encouraged to engage with signage around animal habitats and to attend talks during their visit to the zoo. Talks are delivered by a team of Conservation Education Rangers who are extremely knowledgeable and passionate about nature. Talks are carefully created to provide interesting and intriguing information about our animals, the conservation status and threats to our species, and importantly, ways that guest can get involved in conservation through their own sustainable behaviours. In 2024, the most popular was the flamingo talk, attended by more than 17,000 guests, who had the opportunity to learn about threats flamingos face, general information about their biology and ecology as well as the animals at the zoo and their husbandry. The flamingo talk is also used as a gateway to talk about water conservation and how to use water responsibly.

In 2024, 45,764 school students were welcomed to the zoo as part of formal education visits with their school class and teachers. Of these 30,576 classes chose a self-led visit and 15,188 additionally booked a workshop with the Trusts Conservation Education Officers. These workshops offer a chance for students to learn more about wildlife and conservation, through curriculum linked topics such as KS1 Habitats, KS2 Life in the Rainforest and KS1+2 Grub's Up.

Meaningful conversations are fundamental to the education mission of the zoo and refer to occasions where zoo staff actively engage in conversation about conservation or animals with guests, which can help to inform people about conservation issues, build emotional connections, encourage behaviour change and counteract misinformation. In 2024, education staff had 94,702 meaningful conversations with our guests. This was facilitated with education rangers positioned in Butterfly Forest walkthrough, but also with the use of our "conservation cart" - a mobile platform that allows the education rangers to carry games and artefacts and engage people around the zoo.

The veterinary department at Twycross Zoo plays a huge role in training the vets of the future by having final year Nottingham University veterinary students and final year Nottingham Trent University veterinary nurse students on placement shadowing the zoo team. In 2024, 35 veterinary students and 2 veterinary nurse students spent a total of 340 days (2,720 hours) working with the veterinary team and learning about the important work zoos do for conservation. Phillipa Dobbs, our Veterinary Services Manager was awarded excellence in teaching by University of Nottingham 2024 final year veterinary students and voted one of the most supportive and inspirational clinical associate staff members in the exotics rotation.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The education provision spans all levels and in 2024, 774 higher education (HE) and further education (FE) learners attended lectures at Twycross Zoo. These FE lectures are designed specifically to match the needs of T-levels. HE lectures include both BSc and MSc bespoke content to match the needs of the degree programme. With the opening of the new Global Conservation Centre in 2026, the Trust will expand our HE delivery significantly with co-developed courses and residential fieldtrips.

The Trust recognises that many young people have a love of wildlife and are passionate about pursuing a career in conservation. In 2024 the Trust launched a new partnership with the SMB College Group (Brooksby Campus), providing opportunities for some of their Level 3 Animal Management students to become volunteers at the zoo. The student volunteers were trained to engage our guests with information about our animals during busy periods in the year, and to support meaningful conversations. Helping to achieve the Trusts mission as a conservation and education charity, whilst ensuring that guests have a fulfilled day out at the zoo. One of the volunteers demonstrated significant potential and was successful in later obtaining paid employment with the education team.

The team delivered 38 outreach sessions to local schools, universities, and groups. Outreach is a great way to reach groups that otherwise may miss out on our conservation education provision. In 2024 the team visited 38 sites away from the main zoo, including Hinckley & Bosworth Borough Council conference. This event brought together local business within the area to share a sustainable practice frameworks. The team also ran an "unbox your future" event, working in collaboration with schools in the Leicester city area to develop skills-based opportunities for young people, and supported Ecoschools, an ongoing collaborative effort where we work to support roadshows for young people to learn from organisations and award prizes for the best schools

In 2024 as part of the education delivery quality assurance at the zoo, post session surveys were sent to all schools who made a booking. One hundred schools responded and rated their visit an average 4.5 out of 5. Excluding self-led visits, 82% of teachers attending formal session in the zoo rated the quality of delivery as excellent.

Enhance the value of zoos for society and nature

The future of conservation zoos relies on collaboration and working together to achieve maximum impact. Twycross Zoo is consistently working with national, regional and international zoo associations, professional scientific organisations and academic institutions, to ensure that its expertise helps to inform, guide and drive best practice for species conservation. The Trust also plays a wider role in society, as a zoo, nature reserve and much-loved green space for access to support wellbeing, and as a significant local employer.

As a significant employer in the East Midlands, the zoo had 111 full-time equivalents, with a peak headcount of 183 team members in 2024. Employee wellbeing and engagement remain a top priority, and this year, a comprehensive review of our benefits package, resulted in improvements across the board, including pay increases for all employees. In addition to our existing benefits, the following were introduced:

- Life assurance for all employees,
- Enhanced company sick pay policy,
- Free daily tea, coffee and toast,
- Offering savings on a wide range of products and services, and
- An electric car lease scheme to support sustainable commuting.

Communication channels were also expanded to include Facebook and WhatsApp, making updates more accessible for all teams. A full employee survey was conducted at the beginning of the year, followed by pulse surveys to continuously track engagement and progress. Management are committed to continuous learning and development across all teams. In 2024, the training and development budget was increased for the animal teams by 40%, and a Leadership Academy was launched, which delivered in-house training on leadership development, customer service excellence and effective communication skills. These initiatives reflect our ongoing commitment to creating a supportive, rewarding, and dynamic workplace for the team.

A new annual pass ticket to the zoo was launched in 2023 which allows guests to pay for one day and visit free for the year. This has enabled many of guests to visit multiple times during the year, gaining a better understanding of the conservation role of zoos. By increasing accessibility and reducing the cost per visit it has been observed that on average guest visited twice during 2024. Total visitation in 2024 was 716,000.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

By 2030 the Trust aims to hold 60 positions of influence across our professional associations. Positions of influence are defined as role whereby the person is a leader in that field, and can actively contribute to driving best practice, enhancing the standards and impacts that conservation zoos can have. By increasing the number of roles that are held, the Trust is playing its part within the zoo community and committing to drive forward change. In 2024 team members held 40 positions of influence – an increase of 15 roles from 2023. Supporting team members to undertake these roles provides a benefit to them with regards to professional training and development, and to the zoo in terms of reputation building, skills development, and awareness of best practice. Examples of roles held by Twycross Zoo team members include; BIAZA Mammal Working Group Research Liaison, EAZA Gibbon TAG Chair, EAZA Veterinary Advisor for the Bush Dog EEP, BIAZA Accreditation Screener, Board Member for the Global Conservation Network.

In 2024 the team published 3 scientific papers and ended the year with 6 more in review. 33 professional and scientific conference contributions were delivered. Some examples include; "Informing best practice in zoo animal welfare assessment" delivered at the annual BIAZA Research Conference in Fota, "Twycross Zoo 2023-2030 Conservation Strategy - increasing and monitoring our impact through evidence based decision making and collaboration", presented at the WAZA Annual Conference in Sydney, "How to excel at great ape nutrition - tailoring the menu at Twycross Zoo" presented at the Great Ape Welfare Meeting in Paignton Zoo, "Insights in Conservation Strategies from EAZA members" presented at the EAZA Conservation Forum in Ostrava.

In 2024, the Trust had a strong focus on using our networks and voice to enhance awareness of the conservation role of zoos, with guests, followers and society more generally. To achieve maximum traction, the team worked through both in-house and agency PR teams on both proactive and reactive activity that aligned with events and activities going on at the zoo, as well as in the wider world and media agenda. The Trust published 10 conservation-specific pieces, that were covered regionally, nationally and globally in the media 628 times, and reached a maximum of 1.2 billion people. This included a mix of more innovative, creative ideas to discuss hard-hitting topics, such as taking 'Louie' an animatronic orangutan to the ITV Central studios with an expert spokesperson talking about the need for sustainable palm oil production to save the species. Twycross Zoo is targeting to reverse the decline of 15 species by 2030 as part of the Reverse The Red campaign. The team also engaged in more topical stories in the news, such as the launch of Love Island to gain coverage of the zoo's newest 'couple' – a breeding pair of Critically Endangered red fronted macaws, who arrived at Twycross Zoo as part of a conservation programme designed to protect their species, which has less than 1000 individuals in the wild.

The Ape Heart Project is an important collaboration between University of Nottingham, University of Birmingham and Twycross Zoo. It is an international team of veterinarians, cardiologists and researchers working hard to better understand great ape heart disease in captive great apes in Europe. This project is supported by the European Association of Zoos and Aquaria (EAZA) Great Ape Taxon Advisory Group and has worked with many zoos in Europe for many years to help diagnose and treat ape heart disease. To date the project has helped facilitate more than 10 years of research into this important topic and published over 18 papers to aid in diagnosing and treating this important disease.

On the 25th October 2024, Twycross Zoo hosted their first ever careers fayre. This was an open careers day held on-site for learners aged 14-18 to showcase the zoo and allow attendees to gain knowledge of the range of roles available within the sector, as well as access pathways and networking opportunities. There were stands manned by South Staffordshire College, Derby College, Dipper Ecology, Forestry England, Hinkley and Bosworth Borough Council, National Trust, National Forest, Severn Trent, SMB College Group, University of Derby, University of Wolverhampton, Warwickshire College Group, Nurture, and our own animal and conservation teams. The event was a massive success, with over 140 attendees.

Care for our UK ecosystems

10% of the Zoos land is protected for wildlife. Adjacent to Twycross Zoo sits our Wetlands Nature Reserve. This is free to enter and provides opportunity for a gentle stroll down a winding path of ponds, surrounded by native wildlife, to the large pond with bird hide from which to sit and gaze into the distance. The dedicated Biodiversity Action Plan for the Twycross Zoo Wetland Reserve ensures that the land is managed in a way to protect the species that are there, including hedgehogs, harvest mice, common toads and frogs, multiple butterfly species and a breeding population of grass snakes.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

To ensure that the Wetlands Nature Reserve stays protected into the future, in 2024, working with the Leicestershire and Rutland Wildlife Trust nature reserve was designated as a Local Wildlife Site. The reserve consists of 19 ponds bordered by a species rich grassland including knapweed, ox-eye, cowslip, wild carrot, birds-foot trefoil, musk mallow, hay rattle, meadow buttercup. This grassland meets the Habitat Quality criteria as it contains 16 plant indicator species, and the 19 ponds contained a further 3. The lowest pond is an open-water body with marginal fringes of mainly typha, water mint and hard rush, with meadowsweet, great willowherb and greater pond sedge on the terrestrial banks.

There are four ancient hedgerows on the site, that contribute to the designation as a Local Wildlife Site. Hedgerows are often relic features in an historic landscape denoting boundaries between parishes or landowners, and this is typical of the landscape character of this area of Leicestershire. The hedgerows are interspersed with mature trees along their length and may also be relics of ancient woodlands. The old hedges at Twycross Zoo also have associated features such as banks, ditches, veteran trees and deadwood habitats that add to their wildlife value and provide niche habitats for wildlife as well as acting as important wildlife corridors to connect habitats in the wider landscape. These hedgerows provide important features in an otherwise barren and intensively farmed landscape around the zoo, making them particularly valuable for wildlife dispersal to forage and commute to other nesting or roosting sites. The tree standards within the hedgerows are all mature specimens of Ash and Oak. They contain many features associated with wildlife such as fungal growth, cracks, crevices and fissures (for bird nesting/bat roosting), broken limbs and cracked bark (for invertebrates). The hedgerows contain Common hawthorn and Midland hawthorn, Field maple, Dogwood, Blackthorn and Elder.

Twycross Zoo is a very rural site, and is surrounded by native wildlife, in mature trees and wild spaces. In 2024 there were 635 large mature trees, 7.4 hectares of hedge and shrub 23 hectares of grassland within our zoo land. Having this data gives a benchmark to work from, to ensure that we improve and incorporate protection of these trees into future development plans. This piece of work also gives us a very rough estimate that we offset approximately 1500 tonnes of CO₂, using the zoo.

2024 was the third year of conducting systematic butterfly population counts on the Twycross Zoo Nature Reserve as part of the UK Butterfly Monitoring Scheme (UKBMS). The data collected here by Twycross Zoo staff is important to not only show local trends in butterfly populations and numbers on the reserve but also feeds into regional and national datasets. This is vitally important since Butterfly Conservation declared a "butterfly emergency" due to butterfly numbers declining by 80% since 1970 – indeed, data from the Nature Reserve showed declines in butterfly abundance of 62.5%, with some species such as the Common Blue declining by 93%.

Continuing contributing to the UKBMS means we can monitor further declines and highlight species particularly at risk, as well as being able to track the effectiveness of interventions. In addition to this, this is an effective way to engage Zoo staff with native species conservation.

The Kentish glory moth is extinct in England, last being found in the Wyre Forest, Worcestershire, in the 1970s. In a formal partnership with Natural England, Forestry England, and Butterfly Conservation, the Zoo is working to reestablish the moth in its former stronghold. To inform this potential reintroduction, the Zoo has worked with the University of Leicester to understand the genetics of the extant populations of the moth (in Scotland and continental Europe). With the Natural History Museum, these genes can be compared to the genetic make-up of the historic English populations using ancient DNA techniques.

This research will show which populations will be suitable for conservation breeding and reintroduction to the Wyre. Further, the Kentish glory moth is one of the 15 species the Zoo has committed to reverse the decline of as part of the 'Reverse the Red' pledge.

Hazel dormice are listed as Vulnerable on the UK Red List for Mammals (although recent research suggests they are now 'Endangered'). Locally, they are extinct in Leicestershire. Since 1993, a national reintroduction scheme coordinated by the Peoples Trust for Endangered Species has released dormice into 25 sites across Britain.

In 2023, the Zoo supported the release and post-release monitoring of dormice at Calke Abbey, Derbyshire. We also supported surveys across Leicestershire, working with local landowners and conservation groups, to identify suitable sites for reintroduction to the county. In 2024, the Zoo received £18,850 from the UK government (in partnership with Hinckley & Bosworth Borough Council) through the UK Shared Prosperity Fund to develop quarantine facilities at the zoo.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Quarantine facilities at Twycross Zoo will allow the performance of crucial health-checks and disease risk analysis on captive bred animals before they are released into the suitable sites identified in Leicestershire. In addition to this, the current dormouse quarantine facilities are concentrated in southern England, and there is an identified need to increase capacity elsewhere to support releases in the Midlands and the North. Following release into Leicestershire in 2025, the quarantine facilities will help the Zoo to contribute to future reintroductions elsewhere in the UK. Interpretation around the on-site quarantine will also allow the Zoo to educate and engage visitors with local conservation work and raise awareness of threatened native species.

Become environmentally sustainable

In 2024 the team developed a new Sustainable Procurement Policy that has gone live in early 2025. This includes guidelines and requirements on animal welfare, environmental and sustainability practices, and ethical trading. The policy will be used to review new and existing suppliers, to ensure that they meet certain requirements, or can work towards these within a given timeframe.

In 2024 the full vehicle fleet was reviewed and moved from 11 vehicles (7 diesel and 4 petrol) to 10 (5 diesel and 5 electric), completely replacing all petrol vehicles with electric. When comparing between the old and new vehicles, based on mileage or hours of usage across the year, with a projected reduction of 65% reduction in CO2 emissions from vehicle use.

The Zoo is targeting to recycle over 50% of the waste generated on site annually, by 2030. In 2024, the Zoo increased recycling to 23% of waste generated on site, by introducing new recycling streams. This is an increase from 19% in 2022.

70,547 plastic bottles were diverted from our waste, by providing different plant based drinking vessel options in The Catch our fish and chip shop.

By partnering with Olio in 2024 the Zoo ensured it has as little food waste as possible. As part of this, a total of 538 items were collected by volunteers and redistributed to families and individuals in need.

In a concerted effort to promote sustainability and raise awareness about the importance of recycling, an impactful recycling display was created at the main entrance of our zoo. Set up from 11th October 2024 an estimated 81,956 guests will have walked past it and had the opportunity to engage (based on its location). This initiative combined creativity, collaboration, and education to engage guests and staff in meaningful environmental action. The display was designed using discarded plastic and recyclable materials collected from the zoo, to ensure that it was a true reflection of our waste footprint. Teams were encouraged to bring in recyclable items, allowing active participation, and items that had been left behind or dropped by guests in the zoo, were carefully gathered. These collected materials were creatively arranged to form an eye-catching and thought-provoking display that stood at the main entrance to the zoo. To reinforce the message, the display included prominently placed signage with two key components:

Hard-hitting facts:

Simple, practical advice was provided to show guests how they could incorporate recycling into their daily lives, making it easy to take action at home.

Guest engagement:

Visitors stopped to interact with the display, often taking photos and discussing the facts presented. Many expressed surprise at the scale of waste and its impact on the environment.

Staff Involvement:

Employees became ambassadors for recycling. This recycling display at the Himalaya entrance successfully transformed waste into a powerful educational tool. By combining creativity with impactful messaging, this highlighted the importance of recycling but also inspired actionable change among our staff and guests.

Using many sterilised products means a lot of plastic. The veterinary department have worked hard to increase the amount of veterinary items that are recycled rather than incinerated or disposed of in landfill. In 2024 all of the sharps containers used for disposal of needles were made from recycled plastic. They recycled 110 litres (>2000 items) of soft plastic and approximately 4,300 empty blister packs from used medication.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Zoo currently raises awareness of recycling message to guests in the penguin, gorilla, chimpanzee and bonobo educational talks; across 2024 these talks were delivered to over 30,500 guests.

The Zoo collects donations from Ocado twice per week, during which food items are taken that would have otherwise be destined for landfill. This includes items such as meat, fruit and veg, that can be incorporated as part of our animals carefully curated diets, and other items for our teams. An estimated, £500 per week was saved through this, but importantly also ensure that less food is wasted.

Achievements and performance

The current year represented another positive step for the Zoo with income, before the impact of deferrals, growing 13.5% to £16.2m (2023: £14.4m). While the economic climate remains challenging, most income streams grew year on year. Income from traditional membership scheme has reduced as many customers have converted to the new annual pass, the net result remains an increase in admissions income with ticket income rises driven by an increased average price, and commercial income driven by the volume of visitors on site. Total visitation grew to 716k from 571k in the prior year driven primarily by repeat visitation, demonstrating the demand for and value of the annual pass.

During the prior year the Zoo changed its primary offering to be an annual ticket product, rather than a day ticket, which improves the value proposition for the customer and has had the added benefit of improving the number of customers electing to gift aid. This annual ticket was launched at the end of June 2023 and continues to be well received in the market. While the cash generated in the year has been strong, accounting revenue recognition rules mean that the ticket revenue is being earned over a 12 month period which has had the impact of reducing profitability during both of the prior two years as tickets sold during the year are partly earned during the following year. The table below demonstrates the short term accounting impact of deferring this revenue.

	With Ticket Income Deferred 2024 £'000	Without Ticket Income Deferred 2024 £'000	Without Ticket Income Deferred 2023 £'000
Total incoming resources	15,401	16,297	14,397
Net outgoing resources	(1,378)	(482)	(1,723)

Adjusting to remove the deferral of the annual ticket, income would have been £16.3m, up 13.2% which shows a continued growth in demand.

A focus on margin within both retail and catering have driven improved gross profits in both areas. Despite the increased level visitation and additional activity in conservation efforts, costs were up just 4.1%. Overall cost control was strong across the business with the most significant uplifts driven by the return to a full strength senior team, additional energy costs and an investment in marketing which helped to drive the increase in income.

Through this growth in income and cost control, the Zoo was able to deliver improved adjusted EBITDA to £1.5m (2023: £1.1m). This adjusted EBITDA removes the impact of deferring annual ticket income, and removes grant income in the year which is one off restricted income.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Public Benefit

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charity Commission, including its supplementary guidance on fee charging.

The launch of Twycross Zoo's Conservation Strategy 2023-2030 during 2023 refreshed and reinforced Twycross Zoo's commitment to improving conservation and sustainability for the benefit of our planet that we share with other animals. The six pillars outlined above under the Conservation header demonstrate the breadth of commitments being made by the charity across a range of important global issues. The Zoo publicised its first ever Conservation in Action report in early 2025 demonstrating its delivery and progress against the Conservation Strategy issued the previous year. The Biodiversity Action Plan is further evidence of the Zoos commitment to biodiversity specifically around the globe.

Internal Operations

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited whose activities include the management of retail shops, cafeterias and conference facilities within the Himalaya building as well as additional retail and cafeterias facilities around the Zoo. The aim of the subsidiary is to generate funds to donate to the financial viability of the charity. The subsidiary company pays rent to the charity in respect of the buildings and assets utilised by the shops and cafeterias.

The Retail Strategy continued to deliver a sound retail product offer. Increased visitor numbers compared to 2023 drove a strong revenue number which was 13.5% up on the prior year. The new annual ticket offering continues to drive an uplift in catering revenue year on year of 16.4%. Repeat visitors continue to utilise the catering and retail outlets. A full retail range review was been performed during the year which has had the immediate impact of improving gross margin. Catering is delivered in partnership with a catering specialist. Retail and Catering turnover totalled £5.0m (2023: £4.3m) and profit £0.9m (2023: £0.4m).

The Charity does not perform any material fundraising activities.

The Group received no complaints in respect of its fundraising activities in either the current or prior year.

Key Performance Indicators

Key Performance Indicators are set to monitor and measure progress and achievements throughout the year. The Zoo's executive team monitors and reviews on a regular basis the charity's key performance indicators against budget and prior year performance which include: -

- Admissions Revenue
- EBITDA
- Retail spend and margin
- Catering spend and margin
- Total visitors
- Education visits

Regular monitoring of the KPI's ensured the Zoo was able to achieve its financial, education and charitable objectives throughout the year.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Review

The Zoo generated operating cash inflows of £3.2m. This trading cash inflow was used to fund financing costs and loan repayments of £1.3m and capital investments of £1.7m resulting in an overall cash increase in year on year of £0.2m. The annual Financial Statements for the year to 31 December 2024 are set out at pages 22 to 47. The Trustees' financial objectives are to make a surplus each year. In 2024, a deficit was made of £(1.3m) (2023: deficit of £(4.2m)).

Capital Expenditure

Capital investment in the Zoo's habitat and visitor experience is a strategic priority of the Trustees. Fixed asset additions were £1.7m (2023: £1.3m). There were no major new habitat developments, although some minor improvements were performed on existing facilities.

Income and Expenditure

Admissions and related income was £10.3m (2023: £7.6m) an increase of 36% (2022: decrease 18%), however adjusting both years income to remove the ticket revenue deferral shows a 12.2% increase to £11.2m, reflecting a strong summer.

Retail and catering income increased to £5.0m (2023: £4.3m) primarily linked to the change in ticket offering.

Total Expenditure increased to £16.8m (2023: £16.1m) reflecting the increased costs of sales required in delivering the above increase in retail and catering income, as well as an investment in marketing to drive ticket sales. Operationally the senior team returned to full strength early in the year and there was a slight increase in energy costs year on year.

Zoo Park (Twycross) Limited

The Zoo's trading subsidiary, Zoo Park (Twycross) Limited provides retail and catering facilities across the site reported a turnover of £5.0m (2023: £4.3m). The surplus of £0.9m (2023: £0.4m) was 125% more than 2023 and is included in the Group surplus.

Going Concern

The Group has net current liabilities of £3.9m (2023: net current liabilities of £2.3m). This is in large part due to deferred income as a result of the annual ticket, without which net current liabilities would be £0.6m (2023: £0.2m). In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of September 2026, representing more than 12 months from the date of signing the accounts, with a forecast projection extended to the March 2027 given the Groups seasonal trading. The base case projections are based upon a budget for 2025 which has been approved by the Board of Trustees and a forecast into 2027.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience in 2024 and a strong start to 2025, albeit balanced against challenging Summer 2025 and economic backdrop.
- ▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the loan facility is bound.
- ▶ The ongoing strength of the Groups relationship with its banking partner Metro, with whom a refinancing has been performed during the early part of 2025.

TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

As the Group entered a new finance arrangement from April 2025, the going concern assessment is based upon expected performance under the covenants of that agreement and of liquidity of the Group for the same period.

Based on budgets for the period to December 2025 and the reforecast performed as part of this going concern assessment, all covenants are met and no further breaches are forecast.

The continued cost of living crisis continues to increase uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which can be flexed accordingly and, as has been continually demonstrated in recent years there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that standard visitor number reductions of 3.2% can be borne without breaching the Group's covenants during the going concern assessment period. As part of the ordinary running of the business, a number of semi variable costs can be flexed and capital spend can be reduced in response to any downturn in visitor numbers to mitigate the impact of an income fall, increasing the fall which can be withstood to 4.6%. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would be result in a case of non-compliance with banking covenants, and indeed the need to consider the short term financing of the Group's capital commitments, and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end September 2026.

The Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

Plans for the future

Following the release of Twycross Zoo's Conservation Strategy 2023-2030 in 2023, the Zoo issued its first ever Conservation in Action report in early 2025 which for the first time publicly discloses the significant progress being made across its conservation goals. A new executive team has been established during early 2024 with the appointment of a new Marketing Director which, along with the wider Zoo team, established a strategy which focuses on the Zoos animals, people, and guests.

Development of the recently renamed Global Conservation Centre commenced in early 2025 and marks a significant milestone for the project which will deliver an on-site state of the art campus facility for use by students from primary right through to higher education, as well as accommodation for visiting students and lecturers, as well as brand new Orangutan habitat. The project is part funded by the Government levelling up fund.

Further steps have been taken in the early part of 2025 with the Zoo finalising the acquisition of a 45 acre plot of land adjacent to the existing estate which will be used to expand the Zoos existing nature reserve and deliver on its ambition to have a material positive impact on wildlife and native species in Leicestershire.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Risk Management

The Zoo has a formal risk management strategy in place to assess business risks across the organisation. The Zoo continually reviews the major risks that it faces and has developed systems to monitor and control these risks to mitigate any impact they may have on the Zoo in the future.

The principal risks and uncertainties facing the Zoo's ongoing success are;

Risk Description	Impact/Consequences	Mitigation
Downfall in the UK and / or global economy adversely affecting the UK tourist and leisure industry	<ul style="list-style-type: none"> Visitor number reduction Loss of revenue Lack of financing facilities Unable to invest in the Zoo's development programme Unable to maintain the current Zoo site Unable to maintain animal collection Loss care staff 	<ul style="list-style-type: none"> Ensure as many costs as possible can be fixed with visitor numbers Engage with a strong targeted marketing campaign Exploit the drive time markets Keep the Zoo exhibits refreshed Provide 'Value added' for the ticket price
The Zoo does not retain its Zoo licence	<ul style="list-style-type: none"> Zoo closure is enforced 	<ul style="list-style-type: none"> Maintain required standards as dictated by the Zoo Licensing Act Carryout regular desktop compliance reviews Carryout regular training
There are insufficient cash funds available to cash flow the Zoo's business plan	<ul style="list-style-type: none"> The Zoo could be declared bankrupt by unpaid creditors 	<ul style="list-style-type: none"> Maintain an adequate set level of working capital. Cash reserves forecasts are set aside to enable cash flow management. Carryout regular cash forecasting of available cash to determine adequate levels.
Cash covenants are breached	<ul style="list-style-type: none"> Reputational damage with lenders Not able to deliver the Zoo Development plan impacting negatively on visitor revenue 	<ul style="list-style-type: none"> Regular reviews of covenants carried out and reported to Board and Committee Regular reviews of cash forecasting reported to Committee Regular Debt reviews carried out Profit protection plan monitored Maintain strong working relationships with key banking partner with open lines of communication
Breach of Health & Safety statutory regulations	<ul style="list-style-type: none"> The Zoo licence is revoked by the Local Authority Investigation and prosecution by Health & Safety Executive The Zoo incurs criminal charges and financial penalties 	<ul style="list-style-type: none"> Contract with a "Critical" partner to provide compliance assurance Ensure adequate H&S policies in place which are implemented Regular and appropriate H&S training for staff
IT Infrastructure is not adequate to support the business operation	<ul style="list-style-type: none"> There is a breakdown of IT equipment due to age and / or inadequacy of the equipment Breach of IT security of the data held and / or loss of data Loss of revenue Reputational damage 	<ul style="list-style-type: none"> Ensure sound and capable IT Infrastructure and support Utilise in-house and outsourced solutions for growth and delivery Long term planning to replace / upgrade solutions Take timely and regular system back-ups / replicates appropriate to the data and operation Policy for data storage which is adhered to including an 'off-site' option. Frequent "patching" with "provider issues" patching to guard against unauthorised access Develop "resilience" into the system to ensure business continuity. Carryout annual security exercises to ensure current IT infrastructure is adequate
Board Members and Exec (Strategic Team) will not have sufficient skill or experience to manage the organisation's affairs.	<ul style="list-style-type: none"> Decisions made which are not thought through with high quality either damage the organisation's sustainability and reputation. 	<ul style="list-style-type: none"> Review Board skill sets annually to ensure appropriateness and fit to strategic objectives Carryout regular Board training in key strategic areas Ensure regular governance updates Ensure Strategic team have at least an annual strategy day to review and develop strategic plans and direction

Twycross Zoo was issued with a full clean zoo licence by Hinkley and Bosworth Borough Council on 1st August 2024 and remains in force until 20th September 2030.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Relationships with Other Charitable Bodies

The Trust maintains active links and co-operates with other Zoos and animal welfare bodies throughout the world in the furtherance of the Charity's aims and objectives. These include BIAZA (British and Irish Association of Zoos and Aquariums), EAZA (European Association of Zoos and Aquaria), WAZA (World Association of Zoos and Aquariums), IUCN (International Union for Conservation of Nature) and CPSG (Conservation Planning Specialist Group).

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted spending expenditure. The Trustees consider that this level has been met and will provide sufficient funds to respond to short term funding requirements and to ensure that support costs are covered. This aim has been maintained throughout the year.

The balance held as unrestricted funds at 31 December 2024 was £15.7m (2023: £17.8m), of which £1.2m (2022: £1.2m) are regarded as free non-designated reserves, after allowing for funds designated for fixed assets and conservation welfare and the revaluation reserve. Restricted reserves are £4.2m (2023: £3.5m).

It is acknowledged by the organisation that it needs to maintain cash reserves that cover operating costs for a minimum of 3 months, estimated at £1.5m. Cash and bank reserves at 31 December 2024 were £1.5m (2023: £1.3m) and are budgeted to increase further during 2025.

Structure, governance and management

Twycross Zoo – East Midland Zoological Society Limited ("Twycross Zoo" and "the Zoo") is a private company limited by guarantee (incorporated in England and Wales with company registration number 1060956) governed by adopted Articles of Association as amended 24 June 2019. The Trust is also constituted as a registered charity with the Charity Commission – charity registration number 501841.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Rt. Hon. G W Hoon
G England
E Hardwick-Smith
H Mitchell
T B Payne
T Maxted
D Beckett
P Popham
M Bennett
H Dua (Resigned 24 March 2025)

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Method of appointment, induction and training of Trustees

The Board appoint new Trustees as and when they see fit in order to maintain an appropriate range of skills and experiences amongst the members. New Trustees undergo an extensive Induction Programme and briefing sessions on the organisation, its aims and objectives. They are provided with a copy of the constitution, roles and responsibilities of being a Trustee at Twycross Zoo, the most current Annual Report and Financial Statements, management accounts, the current business plan, management structures, policies relating to health & safety, equal opportunities, animal collection plan, economic impact assessment and development assessment.

Throughout the year, Trustees meet with the CEO and the Executive/Management team for regular updates regarding the performance and strategic delivery of the Zoo. In addition, Trustees attend events held during the year which gives them the opportunity to meet with management within the organisation as well as visitors to the zoo.

Indemnity Insurance

The Trust maintains indemnity insurance on behalf of its Trustees.

Structure, Governance and Management

The board of directors are the trustees of the charity supported by the executive management team who together comprise the key management personnel of the charity. The executive management team are in charge of directing controlling, running and operating the Zoo on a day-to-day basis.

Organisational Structure

The Board of Trustees meet on a quarterly basis and call special General Meetings as and when these are required. In addition, the Chairman visits the Zoo regularly to review activities within the Zoo and also meets with the CEO on a regular basis.

Oversight is provided by a structure of Committees delegated by the main Board. These Committees include Finance and Audit & Risk and an Ethical Review committee which both meet quarterly and a HR Organisation and Remuneration Committee which meets bi-annually.

The Finance Committee reviews current financial performance and ensures that future plans are properly costed and adequate funding is identified prior to being presented to the Board. The Finance Committee agrees the meeting frequency and dates in advance based on the needs of the organisation. This has resulted in meetings being held on a quarterly basis since 2019 and the Finance Committee members receiving management information on a monthly basis.

During the year a new permanent CEO joined the executive from June 2023 at the year end a new permanent Marketing Director joined the executive from February 2024. The Executive Team was charged with management of daily operations and with proposing policy to the Board of Trustees. This process was managed by quarterly Board meetings with Trustees which are formally minuted.

Pay policy for staff

Ordinarily all Trustees give their time freely, with the exception of out of pocket expenses.

The pay of staff is reviewed annually and subject to financial performance, an increase may be awarded. In view of the nature of the charity, methodology and benchmarking is gained from inside and outside the industry and similar roles are also used to assess pay and rewards.

These include:

- benchmarking against pay levels in other similar organisations
- market rate analysis conducted where similar roles operate.

Where necessary a market addition is paid but limited to the highest benchmarked salary for a comparable role.

All staff are paid at least the National Minimum Wage appropriate to their age with pay rates adjusted in line with relevant legislation during the year.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Statement as to disclosure of information to Auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as company directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

In accordance with the company's articles, a resolution proposing that Forvis Mazars LLP be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



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Rt. Hon. G W Hoon
Chairman

Date: 29th September 2025

TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Twycross Zoo - East Midland Zoological Society Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

Opinion

We have audited the financial statements of Twycross Zoo - East Midland Zoological Society Limited (the 'parent charity') and its subsidiary ('the group') for the year ended 31 December 2024 which comprise the Consolidated statement of Financial Activities, the Consolidated and Parent Charity Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and the parent charity's affairs as at 31 December 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention Accounting Policy 1.2 in the financial statements, which indicates that the Group's trading position and its impact on cash flows and compliance with lender covenants may cast significant doubt on Group's ability to continue as a going concern.

As stated in Accounting Policy 1.2, these events or conditions, along with the other matters as set forth in this note to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' report which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: Charities Act 2011, the Charities Statement of Recommended Practice, tax legislation, pension legislation, and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to, income recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions..

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.fc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


[David Hoose \(Sep 30, 2025 07:37:05 GMT+1\)](#)
.....

David Hoose (Senior Statutory Auditor)
For and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

Date: 30/09/2025

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account)

FOR THE YEAR ENDED 31 DECEMBER 2024

Current financial year		Unrestricted funds	Restricted funds	Endowment funds	Total	Total
		2024	2024	2024	2024	2023
Notes		£'000	£'000	£'000	£'000	£'000
Income from:						
	Donations and legacies	3	67	-	67	79
	Charitable activities – Life Science, Education and Conservation Welfare	4	9,496	831	-	10,327
	Charitable activities – Retail and Catering	4	4,970	-	-	4,970
	Investments	5	38	-	-	38
	Total income		14,571	831	-	15,402
Expenditure on:						
	Charitable activities – Life Science, Education and Conservation Welfare	6	13,091	93	-	13,184
	Charitable activities – Retail & Catering	6	3,596	-	-	3,419
	Total expenditure		16,687	93	-	16,780
	Net expenditure for the year/ Net outgoing resources		(2,116)	738	-	(1,378)
Other recognised gains and losses						
	Actuarial gain/(loss) on defined benefit pension schemes		30	-	-	30
	Net movement in funds		(2,086)	738	-	(1,348)
	Fund balances at 1 January 2024		17,783	3,481	100	21,364
	Fund balances at 31 December 2024		15,697	4,219	100	20,016

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Prior financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income from:					
Donations and legacies	3	79	-	-	79
Charitable activities – Life Science, Education and Conservation Welfare	4	7,031	537	-	7,568
Charitable activities – Retail & Catering	4	4,312	-	-	4,312
Investments	5	6	-	-	6
Total income		11,428	537	-	11,965
Expenditure on:					
Charitable activities – Life Science, Education and Conservation Welfare	6	12,608	93	-	12,701
Charitable activities – Retail & Catering	6	3,419	-	-	3,419
Net expenditure for the year/ Net outgoing resources		(4,599)	444	-	(4,155)
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes		(8)	-	-	(8)
Net movement in funds		(4,607)	444	-	(4,163)
Fund balances at 1 January 2023		22,390	3,037	100	25,527
Fund balances at 31 December 2023		17,783	3,481	100	21,364

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	Group		Company	
		2024 £	2023 £	2024 £	2023 £
Fixed assets					
Intangible assets	13	1	12	1	12
Tangible assets	14	33,712	33,847	33,712	33,847
Investments	15	-	-	73	73
		<u>33,713</u>	<u>33,859</u>	<u>33,786</u>	<u>33,932</u>
Current assets					
Stocks	16	312	236	12	-
Debtors	17	599	682	524	906
Cash at bank and in hand		1,536	1,306	715	674
		<u>2,447</u>	<u>2,224</u>	<u>1,251</u>	<u>1,580</u>
Creditors: amounts falling due within one year	18	(6,360)	(4,483)	(6,117)	(4,367)
Net current liabilities		<u>(3,913)</u>	<u>(2,259)</u>	<u>(4,866)</u>	<u>(2,787)</u>
Total assets less current liabilities		<u>29,800</u>	<u>31,600</u>	<u>28,920</u>	<u>31,145</u>
Creditors: amounts falling due after more than one year	19	(9,529)	(9,963)	(9,529)	(9,963)
Provisions for liabilities	20	(255)	(273)	(255)	(273)
Net assets		<u>20,016</u>	<u>21,364</u>	<u>19,136</u>	<u>20,909</u>
Capital funds					
Endowment funds - general		100	100	100	100
Income funds					
Restricted funds	25	4,219	3,481	4,219	3,481
Unrestricted funds					
Designated	25	10,499	12,238	10,073	12,238
Other	25	1,204	1,204	750	750
Revaluation Reserve	25	3,994	4,340	3,994	4,340
		<u>20,016</u>	<u>21,364</u>	<u>19,136</u>	<u>20,909</u>

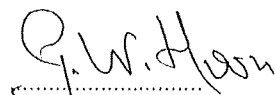
TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

The standalone Company deficit was £1.8m (2023: £4.2m). This differs to the group by £0.4m as the subsidiary had not distributed this amount to the Company at the year end. This distribution is to be made in 2025.

The financial statements on pages 22 to 47 have been approved by the board and authorised for issue on 29/09/2025 and are signed on its behalf by:



.....
Rt. Hon. G W Hoon

Trustee

Company registration number 1060956

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities					
Cash generated from operations	28		3,176		1,047
Investing activities					
Purchase of tangible fixed assets		(1,724)		(1,023)	
Proceeds from disposal of subsidiaries		-			
Investment income received		38		6	
Net cash used in investing activities			(1,686)		(1,017)
Financing activities					
Repayment of bank loans and finance lease obligations		(400)		(374)	
Interest Paid		(860)		(812)	
Net cash (used in)/generated from financing activities			(1,260)		(1,186)
Net increase in cash and cash equivalents			230		(1,156)
Cash and cash equivalents at beginning of year			1,306		2,462
Cash and cash equivalents at end of year			1,536		1,306

TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Twycross Zoo - East Midland Zoological Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Norton Grange, Burton Road, Norton-Juxta-Twycross, Atherstone, Warwickshire, CV9 3PX, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent company has not been separately presented in the financial statements.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking on a line by line basis using acquisition accounting, eliminating intercompany balances and transactions. The financial statements are presented in the form of Group financial statements.

1.2 Going concern

The Group has net current liabilities of £3.9m (2023: net current liabilities of £2.3m). This is in large part due to deferred income as a result of the annual ticket, without which net current liabilities would be £0.6m (2023: £0.2m). In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of September 2026, representing more than 12 months from the date of signing the accounts. The base case projections are based upon a reforecast of the budget for 2025 which have been approved by the Board of Trustees and a forecast into 2027.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.

▶ Building on the positive trading experience in 2024 and a strong start to 2025, albeit balanced against challenging Summer 2025 and economic backdrop.

▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.

▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the loan facility is bound.

▶ The ongoing strength of the Groups relationship with its banking partner Metro, with whom a refinancing has been performed during the early part of 2025

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1.2 Going concern

(continued)

As the Group entered a new finance arrangement from April 2025, the going concern assessment is based upon expected performance under the covenants of that agreement and of liquidity of the Group for the same period.

Based on budgets for the period to December 2025 and the reforecast performed as part of this going concern assessment, all covenants are met and no further breaches are forecast.

The continued cost of living crisis continues to increase uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which can be flexed accordingly and, as has been continually demonstrated in recent years there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that standard visitor number reductions of 3.2% can be borne without breaching the Group's covenants during the going concern assessment period. As part of the ordinary running of the business, a number of semi variable costs can be flexed and capital spend can be reduced in response to any downturn in visitor numbers to mitigate the impact of an income fall, increasing the fall which can be withstood to 4.6%. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants, and indeed the need to consider the short term financing of the Groups capital commitments, and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end September 2026.

The Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the charity has entitlement to the funds and is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from government and other grants whether "capital" grants or "revenue" grants, is recognized when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from gate admissions is recognised at point of entry. Income from the sale of annual passes is deferred and recognised evenly over the period that the pass is valid. Income from Legacies is recognised at the point of receipt.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees annual report for the more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis net of value added tax.

Expenditure is classified under the following activity headings;

- Cost of raising funds are those costs incurred in the trading activities of the retail and catering functions
- Expenditure on charitable activities includes costs associated with the animals, education and conservation and includes both the direct and support costs relating to these activities
- Support costs include the central functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include the back office costs, finance, personnel, payroll and governance costs which support the Zoo's activities. Support costs have been allocated to activity cost categories on a basis consistent of the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	10% - 33% per annum
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TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

The zoo's land and buildings has been revalued at adjusted depreciation replacement cost as at 31st December 2021, excluding assets under construction. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of the Land and Buildings assets owned by Twycross Zoo. The net difference between down value and the revaluation as each point in time has been recorded within the revaluation reserve. The difference between the depreciation based on the revalued carrying value and the depreciation based on the original cost is released from the revaluation reserve to other unrestricted funds each year. All other fixed assets are held at historical cost.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Variable dependent on components Life
Plant and equipment	10% - 25% per annum
Fixtures and fittings	10% - 25% per annum
Computers	33% - 50% per annum
Motor vehicles	10% - 20% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/ (expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Zoo Animals

Most of the Zoo's animals are part of international breeding programmes and are "on loan" as such, are not owned by Twycross Zoo. No valuation is made of the animal collection at the end of each year. Where appropriate, purchases and sales appear in the financial statements as revenue items in the year in which they arise.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.14 Retirement benefits

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

2 Critical accounting estimates and judgements

(Continued)

The zoo's land and buildings are revalued at adjusted depreciation replacement cost which relies upon estimates around both the value of land in the current market as well as estimates around cost to replace the building assets held. These valuations are based on valuations performed by an independent valuation expert and ultimately approved by the Trustees.

As all tangible fixed assets are carried at either cost less depreciation or revaluation less depreciation, there is also a critical estimate associated with the useful economic lives associated with those assets. The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives, such as changes in technology. The useful lives will also depend on the future performance of the assets as well as management judgement of the period over which economic benefits will be derived from the assets.

The Company provides catering in partnership with a third party provider and as such is required to consider whether it is principal or agent in the transaction. Having considered the various factors set out in FRS102 section 23 Revenue, the Company is considered to be acting as principal for transactions under contract with the third party. This is primarily driven by the fact that the Company is exposed to 82.5% of the result and is therefore exposed to most of the risks and rewards of the activity. Furthermore, as the end customer is not likely to consider themselves as purchasing from an agent it is likely any poor performance on behalf of the third party would have a negative impact on the reputation of the Company, further exposing the company to risks around performance. As a result of this judgement, catering is disclosed as income of £2,878k (2023: £2,473k) and £2,269k (2023: £2,055k) of costs. If the Company had concluded it was an agent these figures would be disclosed net. There would be no net impact on the profitability of the balance sheet position.

The defined benefit obligation is accounted for using a method that relies on actuarial assumptions to estimate the liability for inclusion in the financial statements. These actuarial assumptions include discount rates, inflation rate and mortality rates.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024 £'000	2023 £'000
Donations and gifts	36	16
Legacies receivable	31	63
	<u>67</u>	<u>79</u>

4 Charitable activities

	Retail & Catering		Life Science, Education and Conservation Welfare	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Gate Admissions, Donations and Grants	-	-	8,049	5,707
Gift Aid	-	-	1,245	762
Memberships and Adoptions	-	-	247	508
Educational Visits	-	-	34	32
Other Income	-	-	752	559
Retail & Catering Turnover	4,970	4,312	-	-
	<u>4,970</u>	<u>4,312</u>	<u>10,327</u>	<u>7,568</u>
Analysis by fund				
Unrestricted funds	4,970	4,312	9,496	7,031
Restricted funds	-	-	831	537
	<u>-</u>	<u>-</u>	<u>831</u>	<u>537</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2024 £'000	2023 £'000
Interest receivable	38	6
	<u>38</u>	<u>6</u>

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Charitable activities

	Life Science, Education and Conservation Welfare	Retail & Catering	Total	Total
	2024	2024	2024	2023
	£'000	£'000	£'000	£'000
Staff costs	3,895	371	4,266	4,224
Depreciation and impairment	1,870	-	1,870	1,919
Life Science	593	-	593	699
Retail & Catering	-	3,175	3,175	2,950
Building Expenses	2,636	-	2,636	2,310
Office Expenses	1,305	29	1,334	1,193
Legal and Professional	202	3	205	195
Advertising	1,361	-	1,361	1,163
	11,862	3,578	15,440	14,652
Share of support costs (see note 7)	1,283	-	1,283	1,390
Share of governance costs (see note 7)	39	18	57	78
	13,184	3,596	16,780	16,120
Analysis by fund				
Unrestricted funds	13,091	3,596	16,687	16,027
Restricted funds	93	-	93	93

Staff costs are different to those shown in note 10 as within note 6 Agency Costs of £85k have been added and marketing staff costs of £157k have been deducted and included within advertising.

7 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Governance Costs	-	56	56	-	77	77
Irrecoverable VAT	423	-	423	570	-	570
Finance Costs	860	-	860	820	-	820
Trustee Expenses	-	1	1	-	1	1
Analysed between Charitable activities	1,283	57	1,340	1390	78	1,468

Auditors Remuneration for 2024: £51k (2023: £49k)

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8 Trustees

Ordinarily all Trustees give their time freely, with the exception of out of pocket expenses which was the case in 2024. No further remuneration was paid to the Trustees, and none are accruing benefits under pension scheme. During the year, one (2023: three) Trustee was reimbursed expenses of £349.40 (2023: £685.85), relating to travel costs.

9 Net Income

	2024	2023
	£'000	£'000
Net Income is stated after charging:		
Operating Lease rentals		
- plant and machinery	109	58
Auditors' remuneration		
- for audit services	51	49
- for non-audit services – tax advice	9	-
Depreciation of tangible fixed assets		
- leased assets	2	14
- owned assets	1,857	1,888
Amortisation of intangible assets	11	18
Cost of stock recognized as an expense	945	817

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Education	12	9
Resources	24	23
Visitor Services	55	65
Retail	26	29
Keepers	48	52
Vets	5	5
Total	170	183

Employment costs	2024 £'000	2023 £'000
Wages and salaries	3,859	3,798
Social Security Costs	314	321
Pension Costs	165	154
	4,338	4,273

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,000 - £69,999	-	2
£70,000 - £79,999	2	-
£80,000 - £89,999	1	2
£90,000 - £99,999	1	-
£140,000 - £149,999	1	-

Pension and National Insurance Contributions of £92k (2023: £56k) were paid in respect of all higher paid employees, of which £33k (2023: £20k) relates to the highest paid employee.

The key management personnel of the group comprise those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including pension and employer's national insurance contributions amounted to £556k (2023: £361k).

11 Interest Expenditure	2024 £'000	2023 £'000
Interest on bank loans and overdrafts	816	764
Other bank, interest and finance lease charges	32	35
Pension net interest expense (note 24)	12	12
	860	811

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

	2024 £'000	2023 £'000
Profit on ordinary activities of Zoo Park (Twycross) Ltd	925	381
Tax at 25% on profit	231	95
Effect of distribution of profits to parent charity under gift aid	(231)	(95)
Corporation Tax	-	-

13 Intangible fixed assets

	Software £'000
Cost	
At 1 January 2024 and 31 December 2024	148
Amortisation and impairment	
At 1 January 2024	136
Amortisation charged for the year	11
At 31 December 2024	147
Carrying amount	
At 31 December 2024	1
At 31 December 2023	12

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets

	Freehold land and buildings £'000	Assets under construction £'000	Plant and equipment £'000	Fixtures and fittings £'000	Computers £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 January 2024	33,291	1,250	885	3,152	898	24	39,500
Additions	242	1,207	21	229	10	15	1,724
At 31 December 2024	33,533	2,457	906	3,381	908	39	41,224
Depreciation and impairment							
At 1 January 2024	2,769	-	732	1,370	758	24	5,653
Depreciation charged in the year	1,496	-	40	247	76	-	1,859
At 31 December 2024	4,265	-	772	1,617	834	24	7,512
Carrying amount							
At 31 December 2024	29,268	2,457	134	1,764	74	15	33,712
At 31 December 2023	30,522	1,250	153	1,782	140	-	33,847

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Tangible fixed assets (Continued)

The net book value of tools, plant and equipment do not include any assets held under finance leases Nil (2023: £153k). The zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31 December 2021 by Charterfields Ltd who are registered under RICS.

The netbook value of the land and buildings prior to this revaluation was £25,665k, the revaluation was an upwards movement of £3,240k. Some assets previously capitalised as land and buildings are now being used as part of The Gruffalo Discovery Land. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The netbook value of freehold land and buildings includes £1,561k (2023: £1,596k) relating to the Tiger enclosure asset which incurred depreciation of £35k during the year ended 31 December 2024 (2023: £32k)

Metro Bank Plc have a debenture against all assets of the business, which includes a first legal charge over the property at the zoo site.

	Other investments (Company) £'000	
Cost or valuation		
At 1 January 2024 & 31 December 2024		73
Carrying amount		
At 31 December 2024		73
At 31 December 2023		73
	2024	2023
Other investments comprise:	£'000	£'000
Investments in subsidiaries	73	73

The company owns 9,600 £1 ordinary shares in Zoo Park (Twycross) Limited ("Zoo Park") (company number 709915) being the whole of the issued share capital of that company. Zoo Park (Twycross) Limited is incorporated in, and operates in, the United Kingdom, its registered office being the same as the parent company. Its principal activity is the provision of catering and leisure services.

Zoo Park's turnover for the year is £4,970k (2023: £4,312k) and its expenditure is £4,044k (2023: £3,931k)

The Trustees consider that the underlying value of its investment in the subsidiary company is not materially different to its cost of £73k

The subsidiary company's retained profit for the financial year is £426k (2023: £Nil) and its capital and reserves at 31 December 2024 are £953k (2023: £527k)

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
16 Stocks				
Finished goods and goods for resale	312	236	12	-

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Debtors	Group		Company	
	2024	2023	2024	2023
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	293	34	235	34
Amounts owed by subsidiary undertakings	-	-	-	359
Other debtors	15	408	19	277
Prepayments and accrued income	291	240	270	236
	<u>599</u>	<u>682</u>	<u>524</u>	<u>906</u>

18 Creditors: amounts falling due within one year	Notes	Group		Company	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Bank loans	20	296	269	296	269
Obligations under finance leases	21	-	5	-	5
Other taxation and social security		78	71	190	71
Trade creditors		1,429	524	1,047	475
Amounts owed to group undertakings		-	-	271	-
Other creditors		155	129	157	129
Accruals and deferred income		4,402	3,485	4,156	3,418
		<u>6,360</u>	<u>4,483</u>	<u>6,117</u>	<u>4,367</u>

Deferred Income:

	Opening	Added	Released	Total
Memberships	133	134	(184)	83
Annual Passes	2,432	6,705	(5,809)	3,329
Other Sales	32	1,285	(1,230)	87
Total Deferred Income	2,597	8,124	(7,224)	3,498

Bank loans relates to £5,700k borrowed from Metro Bank in 2019 at a rate of 3% above the Bank of England base rate. The average rate of interest on this loan during the year was 8.17% (2023: 7.54%). In 2019 interest payments of £88k were suspended and added to the principal borrowed. Monthly capital repayments commenced in June 2022 with final payments due in 2039.

In March 2021 the company borrowed £4,300k from Metro Bank with capital repayment commencing in March 2023 but at a rate of 3.5% above the Bank of England base rate. The final payment will be made in 2027. The average rate of interest on this loan during the year was 8.67% (2023: 8.04%)

Capital Creditors relate to the debenture against the tiger enclosure held by Wates Property Services Ltd. This financing arrangement was entered into in July 2019 with the final payment due in June 2029. The average interest rate on capital creditors during the year was 3.0% (2023: 3.0%)

The Group breached one of their banking covenants in the first two quarters of 2023 which was notified to the bank. The bank reserve their rights under the existing agreements, however, given a challenging start to 2023 and the accounting implications of the new annual ticket the Group's banking partner has agreed to reset the profitability based covenant such that it is next tested at 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant was increased to account for higher levels of Bank of England base rates and the Group committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Creditors: amounts falling due within one year (Continued)

During the first quarter of 2024 the Group breached the minimum cash level covenant for a short period as a result of a specific working capital phasing challenge. The bank were notified in advance and the Group actively managed cash during the period. The bank waived their rights under the breach.

The changes the bank allowed for over the last two years are a demonstration of the banks continued support for the Group. As described in note 30, Post balance sheet events, the Group refinanced onto a new loan agreement from April 2025 under which there have been no breaches.

		Group & Company	
		2024	2023
		£'000	£'000
19	Creditors: amounts falling due after more than one year		
	Notes		
	Bank loans	9,031	9,332
	Other creditors	498	631
	21	9,529	9,963
		9,529	9,963
		Group & Company	
		2024	2023
		£'000	£'000
20	Provisions for liabilities		
	Notes		
	Retirement benefit obligations	255	273
	24	255	273
		255	273

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Maturity of Loans , Overdrafts and Capital Creditors	Group & Company	
	2024 £'000	2023 £'000
Bank loans and Capital Creditors	9,958	10,361
Payable within one year	429	398
Payable between one and five years	5,364	5,475
Payable after five year	4,165	4,488

Metro Bank Plc have a debenture against all assets of the business, which includes a first legal charge over the property at the zoo site. Wates Property Services Limited have a debenture specifically against the tiger enclosure asset for £886k (2023:£886k). The Metro Bank Plc debenture takes precedence over this.

22 Finance lease commitments

Future minimum lease payments due under finance leases:	Group & Company	
	2024 £'000	2023 £'000
Within one year	-	5

Finance Lease commitments were settled within the year

23 Guarantees and Other Financial Commitments

Operating lease obligations are shown below:	2024	2023
	£'000	£'000
Under 1 year	131	74
Between 1-5 years	258	32

There were no other guarantees or financial commitments at 31 December 2024 (2023:£nil).

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

24 Pension Liabilities

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's Accounts.

This disclosure does not cover any other pension arrangement or commitments of the Company.

Principal actuarial assumptions at the balance sheet date	2024	2023
Discount Rate	5.4%	4.5%
RPI price inflation	N/A	N/A
CPI price inflation	N/A	N/A
Mortality (pre and post retirement)	54PXA light tables with future improvements in line with the CMI 2023 projection model were used with a long term trend rate of 1.5% pa	54PXA light tables with future improvements in line with the CMI 2023 projection model were used with a long term trend rate of 1.5% pa
The amounts recognised in the statement of financial position	£'000	£'000
EFRBS Unfunded Liability	255	273
The amounts recognised in the income statement		
Net Interest Cost	12	12
The amounts recognised in the statement of other comprehensive income		
Actuarial (loss)/gain on EFRBS Unfunded Liability	30	(8)
Sensitivity Analysis	Increase in Liability	
	£'000	
Discount Rate decreased by 0.1%		3
Life expectancy increased by one year		5

Pension Commitments:

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £165k (2023 - £154k). Contributions totalling £23k (2023 - £3k) were payable to the fund at the balance sheet date and are included in creditors.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

25 Funds

Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 December 2024
	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 1 January 2024	Incoming resources	Resources expended	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Himalaya	2,124	-	(75)	2,049	-	(75)	1,974
Changing Places Grant	49	-	(2)	47	-	(2)	45
LLEP SME Growth Fund	460	-	(14)	446	-	(14)	432
International Zoo Management Project	-	3	(3)	-	-	-	-
National Science and Conservation Centre	403	535	-	938	809	-	1,747
Other	1	-	-	1	22	(2)	21
	<u>3,037</u>	<u>538</u>	<u>(94)</u>	<u>3,481</u>	<u>831</u>	<u>(93)</u>	<u>4,219</u>

Himalaya

Twycross Zoo was awarded a grant by the East Midlands Development Agency towards the construction of a new visitor welcome centre. "Himalaya" is a landmark project for the East Midlands region. The value of the building is held in Fixed Assets and the fund is amortised over the buildings estimated useful life.

Changing Places Grant Fund

The Changing Places grant fund was provided to fund some specific capital expenditure incurred during 2018 and is being amortised over its useful life.

LLEP SME Growth Fund

The Zoo development fund represents amounts received from Leicester and Leicestershire Enterprise partnership to support the Trustees master plan to develop the zoo infrastructure. The funds were expended on fixed assets during the 2015 financial year. The fund is amortised over the expected useful life of the assets.

International Zoo Management Project

This is an Erasmus funded programme dedicated to the development of higher level training in international zoo management. The project brings together the zoo with the higher education sector to develop a structured training programme that blends the applied/experiential based knowledge of the zoo sector with the rigour of Higher Education based pedagogy and research. The outcome will be a defined training curriculum incorporating three specific training modules that target international zoo welfare and management, international management of zoo based conservation, and ethical and legal issues with international zoo management.

National Science and Conservation Centre

Following a successful bid for government levelling up funding, Twycross Zoo has secured funds for the National Science and Conservation Centre which is due for completion in 2025. Design and planning work is now underway.

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

25 Funds (Continued)

Unrestricted Funds

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Designated Funds				
1 January	12,238	16,498	12,238	16,498
Transfer from Designated funds to Other Unrestricted Funds	(1,739)	(4,260)	(2,165)	(4,260)
31 December	10,499	12,238	10,073	12,238
Fixed Assets				
Conservation Welfare	9,132	10,871	8,706	10,871
	1,367	1,367	1,367	1,367
	10,499	12,238	10,073	12,238

The Conservation Welfare Fund is to provide grants to wildlife conservation and/or welfare projects.

During 2019, the Trustees implemented a policy to establish a designated fund relating to tangible fixed assets. Establishing this designated fund reflects the group's net assets are largely attributed to capitalized tangible fixed assets, which do not provide free funds which are available for use. The policy requires that an amount which equates to approximately three months of unrestricted spending expenditure is maintained in free reserves and is not designated. The carrying value of tangible fixed assets at 31 December 2024 was £33,712k (2023: £33,847k), see note 13. A reconciliation between total funds and the significant components of net assets is provided in note 23. During 2024 £1,739k have been transferred to "Other Unrestricted Funds" from "Designated Funds" (2023: £4,260k transferred to "Other Unrestricted Funds" from "Designated Funds"), resulting in total "Other Unrestricted Funds" of £1,204k and £750k for the Group and Company respectively (2023: £1,204k and £750k).

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Revaluation Reserve				
1 January	4,340	4,687	4,340	4,687
Transfer to Other Unrestricted Funds	(346)	(347)	(346)	(347)
31 December	3,994	4,340	3,994	4,340
Other Unrestricted Funds				
1 January	1,204	1,204	750	750
Net Surplus for the year	(2,115)	(4,599)	(2,540)	(4,599)
Actuarial Gain on revaluation of pension liability	30	(8)	30	(8)
Transfer from Revaluation Reserve	346	347	346	347
Transfer from Designated Funds – Fixed Assets	1,739	4,260	2,164	4,260
31 December	1,204	1,204	750	750
Total Unrestricted Funds	15,696	17,782	14,816	17,328

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

26 Analysis of net assets between funds (Group)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total Unrestricted funds 2024 £	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total 2023 £'000
Fund balances at 31 December 2024 are represented by:							
Intangible fixed assets	1	-	-	1	12	-	12
Tangible assets	29,393	4,219	100	33,712	30,267	100	33,848
Cash at bank and in hand	1,536	-	-	1,536	1,306	-	1,306
Current assets/(liabilities)	(5,449)	-	-	(5,449)	(3,566)	-	(3,566)
Long term liabilities	(9,784)	-	-	(9,784)	(10,236)	-	(10,236)
	<u>15,696</u>	<u>4,219</u>	<u>100</u>	<u>20,016</u>	<u>17,783</u>	<u>100</u>	<u>21,364</u>

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

27 Related party transactions

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited ("Zoo Park")

Transactions with Zoo Park were as follows:

Zoo Park gift aided to parent £500k (2023: £381k)
 Intercompany rent and other recharges £482k (2023: £491k)

As at 31 December 2024 Zoo Park (Twycross) Limited owed the parent company £271k (2023: £358k)

28	Cash generated from operations	2024	2023
		£'000	£'000
	Deficit for the year	(1,348)	(4,155)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(38)	(6)
	Depreciation and impairment of tangible fixed assets	1,859	1,920
	Amortisation of loan arrangement fees	11	12
	Interest Expense	860	812
	Movements in working capital:		
	(Increase)/decrease in stocks	(76)	88
	Decrease/(increase) in debtors	83	(167)
	Increase in creditors	1,825	2,543
	Cash generated from operations	3,176	1,047

29 Analysis of changes in net (debt)/funds

	At 1 January 2024	Non cash movement	Cash flows	At 31 December 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,306	-	230	1,536
Loans falling due within one year	(269)	(301)	274	(296)
Loans falling due after more than one year	(9,332)	301	-	(9,031)
Obligations under finance leases	(5)	-	5	-
Capital Creditors	(760)	-	126	(634)
	<u>(9,060)</u>	<u>-</u>	<u>635</u>	<u>(8,425)</u>

TWYCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

30 Post Balance Sheet Events

On 3rd April 2025 the Company completed a refinancing which resulted in the loans from 2019 and 2021 being repaid in full and a new loan of £9.8m from Metro bank being drawn down. The total facility allows for drawdowns totalling £13.5m with the first tranche of £9.5m being the replacement of the existing facilities and each further tranche being linked to specific projects. This new loan has an interest rate of 3.50% above the Bank of England base rate.

On 15th May 2025 the Company signed a contract with Henry Brothers Limited to be the lead contractor for the construction of the Global Conservation Centre. This construction commenced June 2025 and is due for a phased completion between Autumn 2026 and Spring 2027. The contract signed is for £19.2m. The total target costs associated with this project are £24.8m of which £17.9m is funded through a Levelling Up Fund grant which was granted during 2021. The grand is administered by Hinckley and Bosworth Borough Council with the Company drawing down as invoices are received from suppliers.

TWYCROSS ZOO-EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

England & Wales - Charity number 501841

Accounts



Twycross Zoo - East Midland Zoological
Society Limited
(limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2023

Company Number 1060956
Registered Charity Number 501841

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

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Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

ADMINISTRATION, OFFICERS AND ADVISORS

REGISTERED OFFICE

Norton Grange
Norton-Juxta-Twycross
Atherstone
Warwickshire, CV9 3PX

REGISTERED NUMBER

1060956

CHARITY NUMBER

501841

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law are:

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

H J Mitchell

T B Payne

T Maxted

D Beckett

PC Popham

M Bennett

COMPANY SECRETARY

M Dytham

AUDITOR

Forvis Mazars LLP

Park View House

58 The Ropewalk

Nottingham

NG1 5DW

BANKERS

Metro Bank plc

Southampton Row

London

WC1B 5HA

REPORT OF THE TRUSTEES

The Trustees present their annual report, together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 December 2023, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act 2006 purposes.

CONSTITUTION

Twycross Zoo – East Midland Zoological Society Limited ("Twycross Zoo" and "the Zoo") is a private company limited by guarantee (incorporated in England and Wales with company registration number 1060956) governed by adopted Articles of Association as amended 24 June 2019. The Trust is also constituted as a registered charity with the Charity Commission – charity registration number 501841.

The Board of Trustees ("the Board") confirm that the financial statements comply with current generally accepted accounting principles.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The board of directors are the trustees of the charity supported by the executive management team who together comprise the key management personnel of the charity. The executive management team are in charge of directing controlling, running and operating the Zoo on a day-to-day basis.

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are:

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

G A Middleton

Resigned 1 January 2023

H J Mitchell

T B Payne

T Maxted

D K Beckett

Appointed 1 January 2023

P C Popham

Appointed 11 December 2023

M Bennett

Appointed 11 December 2023

KEY MANAGEMENT PERSONNEL

D J Meek

Resigned 26 February 2023

C Dunkerley

Chief Executive Officer – Appointed 5 June 2023

C Watson

Finance Director

R Biddle

Director of Conservation

S O'Connor

Commercial Head of Retail & Operations

J Gurr

Resigned 1 January 2024

Operations and Commercial Director

J Turner

Appointed 12 February 2024

Marketing Director

Appointed 12 February 2024

REPORT OF THE TRUSTEES (continued)

Method of appointment, induction and training of Trustees

The Board appoint new Trustees as and when they see fit in order to maintain an appropriate range of skills and experiences amongst the members. New Trustees undergo an extensive Induction Programme and briefing sessions on the organisation, its aims and objectives. They are provided with a copy of the constitution, roles and responsibilities of being a Trustee at Twycross Zoo, the most current Annual Report and Financial Statements, management accounts, the current business plan, management structures, policies relating to health & safety, equal opportunities, animal collection plan, economic impact assessment and development assessment.

Throughout the year, Trustees meet with the CEO and the Executive/Management team for regular updates regarding the performance and strategic delivery of the Zoo. In addition, Trustees attend events held during the year which gives them the opportunity to meet with management within the organisation as well as visitors to the zoo.

Indemnity Insurance

The Trust maintains indemnity insurance on behalf of its Trustees.

Organisational Structure

The Board of Trustees meet on a quarterly basis and call special General Meetings as and when these are required. In addition, the Chairman visits the Zoo regularly to review activities within the Zoo and also meets with the CEO on a regular basis.

Oversight is provided by a structure of Committees delegated by the main Board. These Committees include Finance and Audit & Risk and an Ethical Review committee which both meet quarterly and a HR Organisation and Remuneration Committee which meets bi-annually.

The Finance Committee reviews current financial performance and ensures that future plans are properly costed and adequate funding is identified prior to being presented to the Board. The Finance Committee agrees the meeting frequency and dates in advance based on the needs of the organisation. This has resulted in meetings being held on a quarterly basis since 2019 and the Finance Committee members receiving management information on a monthly basis.

During the prior year there was a reorganisation with the departure of the CEO and Chief Operating Officer with the Vice Chair of the Board of Trustees resigning from their position in May 2022 to become interim CEO in June 2022. The Finance Director also departed their role in July 2022, with a successor in place immediately. During the year a new permanent CEO joined the executive from June 2023. At year end the Executive Team was made up of the CEO, Finance Director and Director of Conservation. Subsequent to the year end a new permanent Operations and Commercial Director and Marketing Director joined the executive from February 2024. The Executive Team was charged with management of daily operations and with proposing policy to the Board of Trustees. This process was managed by quarterly Board meetings with Trustees which are formally minuted.

Pay policy for staff

Ordinarily all Trustees give their time freely, with the exception of out of pocket expenses. However, in the prior year David Meek received £4,900 for services over and above his normal Trustee duties before progressing to an executive role and taking over as interim CEO. Helen Mitchell also received £700 for one off services over and above her normal Trustee duties.

The pay of staff is reviewed annually and subject to financial performance, an increase may be awarded. In view of the nature of the charity, methodology and benchmarking is gained from inside and outside the industry and similar roles are also used to assess pay and rewards. These include:

- benchmarking against pay levels in other similar organisations
- market rate analysis conducted where similar roles operate.

Where necessary a market addition is paid but limited to the highest benchmarked salary for a comparable role.

All staff are paid at least the National Minimum Wage appropriate to their age with pay rates adjusted in line with relevant legislation during the year.

REPORT OF THE TRUSTEES (continued)

STRATEGIC REPORT

PRINCIPAL OBJECTIVES AND ACTIVITIES

The charity's principal charitable objectives include the enhancement of animal welfare, conservation, education, research, and recreation for the visiting public. The group also carries out retail and catering activities to generate additional income through its subsidiary company, Zoo Park (Twycross) Limited. The Trust owns and manages Zoological Gardens at Norton-Juxta-Twycross in Leicestershire covering an area of some 95 acres.

The Trust's aims and objectives are:

1. Life Sciences - Practice professional standards of animal care and welfare and develop environmental enrichment programmes to give the animals a fulfilled life, both physically and mentally.
2. Conservation - Incorporate the animals, wherever possible, into regional and global breeding programmes to aid species conservation. Support sound genetic management and co-operative policies to maintain the genetic diversity of species in its care and support appropriate field programmes and reintroduction projects.
3. Education - Develop formal and informal education programmes for all sectors of society regarding wildlife and its conservation (biodiversity).
4. Research - Encourage the scientific study of animals in areas that further animal welfare and conservation.
5. Financial Resilience - Generate an income to fulfil the above and for the provision of facilities in the Zoo for the recreation and enjoyment, education and cultural enrichment of its visitors.

The key developments and achievements in each of these areas is detailed in the following pages.

1. Life Sciences

With regards to the zoo site, 2023 focused on a number of welfare related upgrades to existing enclosures, for example improved heating and lighting for multiple species, improvement of flooring substrates for the giraffe, addition of an outdoor offshow area for flamingos during avian influenza restrictions, replacement of viewing windows for gorillas, and addition of tiger climbing platforms and visual barriers for other species.

As a member of EAZA, the European Association of Zoos and Aquaria, Twycross Zoo participated in forty-seven coordinated breeding programmes within Europe during the year and as such several species produced offspring. The following is a selection of births and hatchings during 2023, many of which are part of coordinated EAZA Ex-Situ Programmes (EEPs);

- four emperor tamarins,
- nine Humboldt penguins,
- one vicuna,
- one verreauxs eagle owl,
- one pileated gibbon.

The Zoo's continued participation in worldwide managed species programmes, including EEPs (EAZA *Ex-situ* Programmes) and ISBs (International Studbooks) ensures the continued genetic health of the animals and populations. The Zoo coordinates the EEPs for the black howler monkey, Ecuadorian Amazon parrot and pileated gibbon, and actively participates in many others including for Eastern black rhino, Sumatran tigers, and the bonobo, one of the four great apes and kept only by Twycross Zoo in the UK.

REPORT OF THE TRUSTEES (continued)

Twycross Zoo's commitment to species management is evident in the Zoo's continued representation at both national and international level through its involvement in key working groups and committees focusing on species management and welfare. We continue to be members of European and international organisations, including the British and Irish Association of Zoos and Aquariums (BIAZA), the European Association of Zoos and Aquaria (EAZA), the World Association of Zoos and Aquariums (WAZA) and the International Union for Conservation of Nature (IUCN).

Staff at Twycross Zoo represent a wide array of expertise and specialisms, and between them currently hold over thirty external roles within BIAZA / EAZA / WAZA and the IUCN. Including the Director of Conservation, as Chair of the EAZA Population Management Advisory Group, board member of the Global Conservation Network, and member of the BIAZA Field Conservation Committee, the Senior Curator as a member of the Gibbon Taxonomic Advisory Group and BIAZA Great Ape Welfare Group and the Veterinary Services Manager, as Chair of the BIAZA Veterinary Focus group and Veterinary Advisor for the BIAZA Mammal Working Group.

Conservation

This year saw the launch of Twycross Zoo's first ever external facing conservation strategy and an increase in our conservation expenditure, recognising the important role Twycross Zoo plays as a large charitable zoo and conservation organisation. Our Conservation Strategy 2023-2030 focuses on six key pillars underpinned by conservation research, education and training:

1. Support the maintenance of healthy *ex-situ* populations of managed species, with a focus on threatened primates and species with a conservation breeding role.
2. Build conservation resources and capacity in house and in animal range countries to support the preservation of wild populations and their habitats.
3. Deliver conservation education to promote positive behaviour change for wildlife conservation.
4. Enhance the value of zoos for wildlife conservation by influencing relevant national policy and securing the future and impact of conservation zoos.
5. Conserve UK native wildlife and habitats on our site and beyond and support key UK environmental initiatives.
6. Become a sustainable organisation and minimize our contribution to global climate change.

The year also saw the launch of our Biodiversity Action Plan (BAP) for the Twycross Zoo Nature Reserve, including our pledge for 30% of our land to be managed for native biodiversity by 2030, to align with the UK government's targets. Other work on native species included support for the reintroduction of dormouse into Derbyshire, and feasibility and assessment regarding the suitability of woodland areas in Worcestershire for reintroduction of the nationally extinct Kentish glory moth. We continued our contribution to Butterfly Conservation's UK Butterfly Monitoring Scheme through data collection on our butterfly transect within the Twycross Zoo Nature Reserve. Alongside our UK conservation work, in 2023 we worked with many global partners, to conduct important conservation action to preserve endangered species and habitats, some examples of achievements in 2023 include:

- **Friends of Bonobos, Democratic Republic of Congo**
 - Over 27,000 people reached through awareness-raising activities, including radio shows, school visits, and community sessions.
- **Borneo Nature Foundation, Indonesia**
 - 76 environmental education sessions and five field trips delivered across eight different schools, reaching a total of 243 students.

REPORT OF THE TRUSTEES (continued)

- **Ape Action Africa, Cameroon**
 - Camera traps deployed in Ngoandou Forest to survey wild chimpanzee population.

- **Amazona Lilacina Foundation, Ecuador**
 - 1,760 people were reached by education and outreach activities, across 11 schools and three community centers.

Education

Twycross Zoo has had an established conservation education programme for several decades. The Zoo's education delivery is based on informal and formal education. Informal public educational talks are delivered via a series of multiple daily talks focussing on a range of different species and conservation issues. In 2023, over 73,000 visitors attended these talks.

Our formal sessions include workshops delivered in the onsite Study Centre, and tours around the zoo, all based on the National Curriculum. These are delivered to schools, colleges and universities, ranging from Early Years, through the curriculum key stages up to Master's Level programmes and in 2023 14,384 students participated.

There is a long-standing partnership between the University of Nottingham and the Twycross Zoo veterinary department of over ten years and the Zoo is heavily involved in the clinical training of final year veterinary students. Twycross Zoo hosts students that take the final year elective of Zoo, Wildlife and Exotic Animal Medicine. Veterinary students have the opportunity to apply methods used during their course in a practical setting, including collecting data and conducting animal welfare audits.

To complement the relationship with the University of Nottingham School of Veterinary Medicine and Science, Twycross Zoo also supports the veterinary nurse programme of Nottingham Trent University. Launched in 2018 this relationship continues to strengthen with Twycross Zoo providing clinical training and placements for veterinary nurse students.

Twycross Zoo is currently working with various Midlands based universities to develop new courses and experiences for students as part of the National Science and Conservation Centre (NSCC) development. These courses include both undergraduate and postgraduate opportunities and will start to be delivered over the next few years.

Research

In 2022 Twycross Zoo participated in thirty-eight research projects across a wide range of scientific disciplines including veterinary science, conservation genetics, conservation science, ape cognition and animal behaviour and welfare. Of these projects, thirteen were at bachelor's degree level, 6 at master's level, and 8 at PhD or post doc level. A focus has been on increasing projects have been at master's level and above, which increases the likelihood of further acknowledgements for Twycross Zoo in peer reviewed journal publications. In 2023 Twycross Zoo staff authored and co-authored 5 scientific publications, 1 magazine article, and supported 30 conference submissions (11 poster presentations and 19 oral presentations).

Twycross Zoo is committed to driving research to help achieve our conservation and organisational goals. These include studies that will enhance welfare or husbandry practices for our animals or help optimise conservation education/visitor engagement. We will also engage university partners in projects focused on helping us achieve our sustainability objectives and assessing native species at the Twycross Zoo Nature Reserve and within the wider zoo site.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

REPORT OF THE TRUSTEES (continued)

Financial

See also Financial Review Section

The Zoo traded well during the year, continuing its improving trend since the Covid-19 pandemic. Against a challenging economic backdrop the Zoo saw visitor numbers increase to 589k from 571k in the previous year while also driving an increase in spend per head.

During the year the Zoo changed its primary offering to be an annual ticket product, rather than a day ticket, which improves the value proposition for the customer and has had the added benefit of improving the number of customers electing to gift aid. This annual ticket was launched at the end of June and has been well received in the market. While the cash generated in the year has been strong, accounting revenue recognition rules mean that the ticket revenue is being earned over a 12 month period which has had the impact of reducing profitability during 2023 as tickets sold during the year are partly earned during the following year. The table below demonstrates the short term accounting impact of deferring this revenue.

	With ticket income deferred	Without ticket income deferred	
	2023 £'000	2023 £'000	2022 £'000
Total incoming resources	11,965	14,397	13,812
Net outgoing resources	(4,155)	(1,723)	(1,124)

Adjusting to remove the deferral of the annual ticket, income would have been £14.4m, up 4.2% which, against a challenging economic environment, is considered a positive trend.

With regards to costs, the Zoo has focused on the welfare of both the animals on site and the team operating it with both staff and site management costs up year on year. Marketing costs have been held largely flat to reflect that the new ticket offering was such a strong proposition to the customer. Overall, EBITDA remained flat again year on year once adjusted to remove the impact of deferring annual ticket income, remaining at £1.1m (2022: £1.1m).

Overall, income including Government Support was £12.0m (2022: £13.8m). The net deficit is £4,155k (2022: deficit of £1,124k). The Total Funds decreased in the year by £4,163k (2022: decrease of £978k) to £21.3m (2022: £25.5m).

PUBLIC BENEFIT

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charity Commission, including its supplementary guidance on fee charging.

The launch of Twycross Zoo's Conservation Strategy 2023-2030 refreshed and reinforced Twycross Zoo's commitment to improving conservation and sustainability for the benefit of our planet that we share with other animals. The six pillars outlined above under the Conservation header demonstrate the breadth of commitments being made by the charity across a range of important global issues. The Biodiversity Action Plan is further evidence of the Zoos commitment to biodiversity specifically around the globe.

REPORT OF THE TRUSTEES (continued)

Internal Operations

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited whose activities include the management of retail shops, cafeterias and conference facilities within the Himalaya building as well as additional retail and cafeterias facilities around the Zoo. The aim of the subsidiary is to generate funds to donate to the financial viability of the charity. The subsidiary company pays rent to the charity in respect of the buildings and assets utilised by the shops and cafeterias.

The Retail Strategy continued to deliver a sound retail product offer. Increased visitor numbers compared to 2022 drove a strong revenue number which was almost flat with the previous year. The new annual ticket offering has driven an uplift in catering revenue year on year with repeat visitors continuing to utilise the catering outlets, while retail has seen a slight reduction as repeat customers are not as likely to visit the onsite shops. A full retail range review has been performed for 2024 to ensure the offering can be evolved and changed during the year to ensure variety for repeat visitors. Catering is delivered in partnership with a catering specialist. Retail and Catering turnover totalled £4.3m (2022: £4.4m) and profit £0.4m (2022: £0.7m).

The Charity does not perform any material fundraising activities.

Key Performance Indicators

Key Performance Indicators are set to monitor and measure progress and achievements throughout the year. The Zoo's executive team monitors and reviews on a regular basis the charity's key performance indicators against budget and prior year performance which include: -

- Admissions Revenue
- EBITDA
- Retail spend
- Catering spend
- Total visitors
- Education visits
- Memberships

Regular monitoring of the KPI's ensured the Zoo was able to achieve its financial, education and charitable objectives throughout the year.

FINANCIAL REVIEW

The Zoo generated positive EBITDA of £1.1m, adjusting to remove the deferral of annual ticket income. This trading cash inflow was used to fund financing costs of £1.3m in addition to capital investments of £1.0m resulting in an overall cash reduction in year of £1.2m. The annual Financial Statements for the year to 31 December 2023 are set out at pages 19 to 46. The Trustees' financial objectives are to make a surplus each year. In 2023, a deficit was made of £(4,155k) (2022: deficit of £(1,124k)).

Capital Expenditure

Capital investment in the Zoo's habitat and visitor experience is a strategic priority of the Trustees. Fixed asset additions were £1,023k (2022: £2,510k). No major habitat developments were undertaken, although some minor improvements were performed on existing facilities.

Income and Expenditure

Admissions and related income was £7.6m (2022: £9.3m) a decrease of 18% (2022: increase 35%), however adjusting this to remove the ticket revenue deferral shows a 7.5% increase to £10.0m, reflecting a strong summer. Donations and

REPORT OF THE TRUSTEES (continued)

Legacies received were £79k (2022: £75k). Retail and catering income decreased by 2% to £4,312k (2022: £4,386k) primarily linked to the change in ticket offering.

Total Expenditure increased to £16.1m (2022: £14.9m) reflecting a full year of the depreciation of The Gruffalo Discovery Land, as well as the aforementioned additional spend on staff and site improvements.

Zoo Park (Twycross) Limited

The Zoo's trading subsidiary, Zoo Park (Twycross) Limited provides retail and catering facilities across the site reported a turnover of £4.3m (2022: £4.4m). The surplus of £381k (2022: £723k) was 47% less than 2022 and is included in the Group surplus.

Going Concern

The Group has net current liabilities of £2,260k (2022: net current assets of £1,391k). This is in large part due to deferred income as a result of the annual ticket, without which net current assets would be £44k. In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of September 2025, representing more than 12 months from the date of signing the accounts. The base case projections are based upon a reforecast of the budget for 2024 and 2025 which have been approved by the Board of Trustees.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience following the change in pricing and marketing strategies in Summer 2023 with yields continuing to improve.
- ▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) is bound.

The Group breached one of their banking covenants in the first two quarters of 2023 which was notified to the bank. Following detailed discussions around the reasons for breach and the Group business plan, the bank waived these breaches. Given a challenging start to 2023 and the accounting implications of the new annual ticket the Group's banking partner agreed to reset the profitability based covenant such that it is next tested at 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant was increased to account for higher levels of Bank of England base rates and the Group committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control. The changes are a further demonstration of the banks continued support for the Group.

REPORT OF THE TRUSTEES (continued)

During the first quarter of 2024 the Group breached the minimum cash level covenant for a short period as a result of a specific working capital phasing challenge. The bank were notified in advance and the Group actively managed cash during the period. The bank waived their rights under the breach.

Based on budgets for the period to December 2024 and the reforecast performed as part of this going concern assessment, all covenants are met and no further breaches are forecast.

However, as a result of the continued cost of living crisis there continues to be increased uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which can be flexed accordingly and, as was demonstrated during 2020 and 2021 there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that standard visitor number reductions of 1.2% can be borne without breaching the Group's covenants during the going concern assessment period. As part of the ordinary running of the business, a number of semi variable costs can be flexed and capital spend can be reduced in response to any downturn in visitor numbers to mitigate the impact of an income fall, increasing the fall which can be withstood to 1.5%. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end September 2025.

The Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

PLANS FOR THE FUTURE

The launch of Twycross Zoo's Conservation Strategy 2023-2030 coincided with the appointment of a new permanent CEO and an overall refresh of the Zoos long term strategy. A new executive team has been established during early 2024 with the appointment of a new Marketing Director and Operations and Commercial Director which, along with the wider Zoo team, has established a strategy which focuses on the Zoos animals, people, and guests. A significant review of the operational KPIs has been performed and the whole Zoo team is now aligned in one set of goals which both grow the Zoo in terms of revenue and cash generation, while also focusing on how these additional funds should be used to improve and broaden our conservation efforts while improving both customer satisfaction and staff welfare.

Design and planning work is now well underway on the development of the National Science and Conservation Centre following a successful bid for Government levelling up funding which is due for completion in 2025.

REPORT OF THE TRUSTEES (continued)

RISK MANAGEMENT

The Zoo has a formal risk management strategy in place to assess business risks across the organisation. The Zoo continually reviews the major risks that it faces and has developed systems to monitor and control these risks to mitigate any impact they may have on the Zoo in the future.

The principal risks and uncertainties facing the Zoo's ongoing success are:

Risk Description	Impact / Consequence	Mitigation
Downturn in the UK and / or global economy adversely affecting the UK tourist and leisure industry	<ul style="list-style-type: none"> • Visitor number reduction • Loss of revenue • Lack of financing facilities • Unable to invest in the Zoo's development programme • Unable to maintain the current Zoo site • Unable to maintain animal collection • Lose core staff 	<ul style="list-style-type: none"> • Ensure as many costs as possible can be flexed with visitor numbers • Engage with a strong targeted marketing campaign • Exploit the drive time markets • Keep the Zoo exhibits refreshed • Provide "Value added" for the ticket price
The Zoo does not retain its Zoo licence	<ul style="list-style-type: none"> • Zoo closure is enforced 	<ul style="list-style-type: none"> • Maintain required standards as dictated by the Zoo Licensing Act • Carryout regular desktop compliance reviews • Carryout regular training
There are insufficient cash funds available to cash flow the Zoo's business plan	<ul style="list-style-type: none"> • The Zoo could be declared bankrupt by unpaid creditors 	<ul style="list-style-type: none"> • Maintain an adequate set level of working capital. • Cash reserves forecasts are set aside to enable cash flow management. • Carryout regular cash forecasting of available cash to determine adequate levels.
Cash covenants are breached	<ul style="list-style-type: none"> • Reputational damage with funders • Not able to deliver the Zoo Development plan impacting negatively on visitor revenue 	<ul style="list-style-type: none"> • Regular reviews of covenants carried out and reported to Board and Committee • Regular reviews of cash forecasting reported to Committee • Regular Debt reviews carried out • Profit protection plan monitored • Maintain strong working relationships with key banking partner with open lines of communication
Breach of Health & Safety statutory regulations	<ul style="list-style-type: none"> • The Zoo licence is revoked by the Local Authority • Investigation and prosecution by Health & Safety Executive • The Zoo incurs criminal charges and financial penalties 	<ul style="list-style-type: none"> • Contract with a "Critical" partner to provide compliance assurance • Ensure adequate H&S policies in place which are implemented • Regular and appropriate H&S training for staff
IT infrastructure is not adequate to support the business operation	<ul style="list-style-type: none"> • There is a breakdown of IT equipment due to age and / or inadequacy of the equipment • Breach of IT security of the data held and / or loss of data • Loss of revenue • Reputational damage 	<ul style="list-style-type: none"> • Ensure sound and capable IT infrastructure and support • Utilise in-house and outsourced solutions for growth and delivery • Long term planning to replace / upgrade solutions • Take timely and regular system back-ups / replications appropriate to the data and operation • Policy for data storage which is adhered to including an "off-site" option. • Frequent "patching" with "provider issued" patching to guard against unauthorised access • Develop "resilience" into the system to ensure business continuity. • Carryout annual scoping exercises to ensure current IT infrastructure is adequate
Board Members and Exec (Strategic Team) will not have sufficient skill or experience to manage the organisation's affairs.	<ul style="list-style-type: none"> • Decisions made which are not thought through with high quality rigor damage the organisation's sustainability and reputation. 	<ul style="list-style-type: none"> • Review Board skill sets annually to ensure appropriateness and fit to strategic objectives • Carryout regular Board training in key strategic areas • Ensure regular governance updates • Ensure Strategic team have at least an annual strategy day to review and develop strategic plans and direction

Twycross Zoo was issued with a full clean zoo licence by Hinkley and Bosworth Borough Council on 1st August 2024 and remains in force until 20th September 2030.

REPORT OF THE TRUSTEES (continued)

RELATIONSHIPS WITH OTHER CHARITABLE BODIES

The Trust maintains active links and co-operates with other Zoos and animal welfare bodies throughout the world in the furtherance of the Charity's aims and objectives. These include BIAZA (British and Irish Association of Zoos and Aquariums), EAZA (European Association of Zoos and Aquaria), WAZA (World Association of Zoos and Aquariums), IUCN (International Union for Conservation of Nature) and CPSG (Conservation Planning Specialist Group).

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted spending expenditure. The Trustees consider that this level has been met and will provide sufficient funds to respond to short term funding requirements and to ensure that support costs are covered. This aim has been maintained throughout the year.

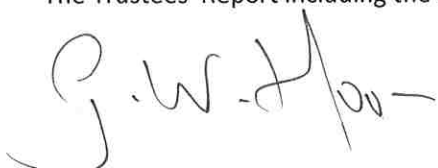
The balance held as unrestricted funds at 31 December 2023 was £17.8m (2022: £22.4m), of which £1.2m (2022: £1.2m) are regarded as free non-designated reserves, after allowing for funds designated for fixed assets and conservation welfare and the revaluation reserve. Restricted reserves are £3.5m (2022: £3m).

It is acknowledged by the organisation that it needs to maintain cash reserves that cover operating costs for a minimum of 3 months, estimated at £1.5m. Cash and bank reserves at 31 December 2023 were £1.3m (2022: £2.5m) which was a little less than needed for the expected level, however this was driven by a short term working capital challenge which was known about, managed and resolved during the first quarter of 2024.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as company directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report including the Strategic Report was approved on behalf of the board by:



Rt Hon G W Hoon

Chairman

Date 30/9/2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Twycross Zoo-East Midlands Zoological Society Limited for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

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

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies in accordance Section 10 of FRS 102 and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Trustees are also responsible for preparing a Trustees' report, that complies with that law and those regulations. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED

Opinion

We have audited the financial statements of Twycross Zoo – East Midlands Zoological Society Limited ('the parent charity') for the year ended 31 December 2023 which comprise of the Consolidated Statement of Financial Activities, the Consolidated Group and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to the Accounting Policies in the financial statements, which indicates that the Group's trading position and compliance with lender covenants may cast significant doubt on Group's ability to continue as a going concern. As stated in the Accounting Policies, these events or conditions, along with the other matters as set forth in this note to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (Continued)

Other information

The other information comprises the information included in the Trustees report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Strategic Report and Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (Continued)

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group and the parent charity'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 trustees either intend to liquidate the group and the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the group and the parent charity and its activities, we considered that noncompliance with the following laws and regulations might have a material effect on the financial statements:

Charities Act 2011, the Charities Statement of Recommended Practice, employment regulation and health and safety regulation, anti-money laundering regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (Continued)

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the trustees' and 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 posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to income recognition (which we pinpointed to the cut off assertion) and the use of restricted funds, significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Sep 30, 2024 12:08 GMT+1)

David Hoose
(Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
58 The Ropewalk, Park View House, Nottingham, NG1 5DW
Date: Sep 30, 2024

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ended 31 December 2023

		2023			2022
	Notes	Unrestricted	Restricted	Endowment	Total
		£'000	£'000	£'000	£'000
INCOMING RESOURCES					
FROM GENERATED FUNDS					
Voluntary					
Donations & Gifts	2	79	-	-	79
CHARITABLE ACTIVITIES					
Life Science, Education and Conservation Welfare	3	7,031	537	-	7,568
Activities For Generating Funds					
Retail & Catering	4	4,312	-	-	4,312
Government Business					
Support Grants		-	-	-	-
Interest Received		6	-	-	6
TOTAL INCOMING RESOURCES		11,428	537	-	11,965
RESOURCES EXPENDED					
COST OF GENERATING FUNDS					
Retail & Catering	4/5	(3,419)	-	-	(3,419)
CHARITABLE ACTIVITY					
Life Science, Education and Conservation Welfare	5	(12,532)	(93)	-	(12,625)
GOVERNANCE COSTS		(76)	-	-	(76)
TOTAL RESOURCES EXPENDED		(16,027)	(93)	-	(16,120)
NET (OUTGOING)/INCOMING RESOURCES		(4,599)	444	-	(4,155)
OTHER RECOGNISED GAINS					
Actuarial gain on revaluation of pension liability		(8)	-	-	(8)
NET MOVEMENT IN FUNDS		(4,607)	444	-	(4,163)
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	18/19	22,389	3,038	100	25,527
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	18/19	17,782	3,482	100	21,364

Income and net income for the year arise from the Group's continuing operations. No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Consolidated Statement of Financial Activities.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

CONSOLIDATED GROUP AND COMPANY BALANCE SHEET

As at 31 December 2023

	Notes	Group		Company	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
FIXED ASSETS					
Intangible Assets	11	12	30	12	30
Tangible Assets	12	33,847	34,726	33,847	34,726
Investments	13	-	-	73	73
		<u>33,859</u>	<u>34,756</u>	<u>33,932</u>	<u>34,829</u>
CURRENT ASSETS					
Stocks	14	235	322	-	4
Debtors	15	682	515	906	1,078
Cash at Bank & In Hand		1,306	2,462	673	1,615
		<u>2,223</u>	<u>3,299</u>	<u>1,580</u>	<u>2,697</u>
CREDITORS: Amounts falling due within one year	16	(4,483)	(1,908)	(4,367)	(1,833)
NET CURRENT ASSETS		<u>(2,260)</u>	<u>1,391</u>	<u>(2,786)</u>	<u>864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,599</u>	<u>36,147</u>	<u>31,145</u>	<u>35,693</u>
CREDITORS: Amounts falling due after more than one year	17	(9,963)	(10,367)	(9,963)	(10,367)
Pension Creditor	25	(273)	(253)	(273)	(253)
		<u>(10,236)</u>	<u>(10,620)</u>	<u>(10,236)</u>	<u>(10,620)</u>
NET ASSETS		<u><u>21,364</u></u>	<u><u>25,527</u></u>	<u><u>20,909</u></u>	<u><u>25,073</u></u>
FUNDS					
Endowment Fund	18	100	100	100	100
Restricted Funds	18	3,481	3,038	3,482	3,038
UNRESTRICTED FUNDS					
Designated	18	12,238	16,498	12,238	16,498
Other	18	1,204	1,204	750	750
Revaluation Reserve	18	4,340	4,687	4,340	4,687
	19	<u>21,364</u>	<u>25,527</u>	<u>20,909</u>	<u>25,073</u>

The standalone Company deficit, in the current and prior year, was equal to that of the Group. The financial statements on pages 19 to 46 have been approved by the board and authorised for issue on and are signed on its behalf by:

Rt Hon G W Hoon – Chairman

G. W. Hoon 30/9/2024

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
CASHFLOWS FROM OPERATING ACTIVITIES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	22	1,053	855
		<u>1,053</u>	<u>855</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid to acquire intangible and tangible fixed assets		(1,023)	(2,535)
		<u>(1,023)</u>	<u>(2,535)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflows from new bank borrowings		-	-
Interest paid		(812)	(468)
Repayments of bank borrowings and repayment of principal amounts of finance leases and capital creditors		(374)	(284)
NET CASH PROVIDED (USED IN)/BY FINANCING ACTIVITIES		<u>(1,186)</u>	<u>(752)</u>
Decrease in cash and cash equivalents	22	(1,156)	(2,432)
Cash and cash equivalents at 1 st January		2,462	4,894
CASH AND CASH EQUIVALENTS AT THE 31st DECEMBER	22	<u>1,306</u>	<u>2,462</u>

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Twycross Zoo – East Midland Zoological Society Limited is a charitable company and a public benefit entity. Therefore, other than the revaluation of the zoo’s land and buildings, the financial statements have been prepared under the historical cost accounting rules. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes and are in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent company has not been separately presented in the financial statements. The financial statements are presented in thousands (£).

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking on a line by line basis using acquisition accounting, eliminating intercompany balances and transactions. The financial statements are presented in the form of Group financial statements.

GOING CONCERN

The Group has net current liabilities of £2,260k (2022: net current assets of £1,391k). This is in large part due to deferred income as a result of the annual ticket, without which net current assets would be £44k. In determining whether the Group’s annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group’s business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of September 2025, representing more than 12 months from the date of signing the accounts. The base case projections are based upon a reforecast of the budget for 2024 and 2025 which have been approved by the Board of Trustees.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience following the change in pricing and marketing strategies in Summer 2023 with yields continuing to improve.
- ▶ The implications that social and economic conditions may have the Group’s revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) is bound.

The Group breached one of their banking covenants in the first two quarters of 2023 which was notified to the bank. Following detailed discussions around the reasons for breach and the Group business plan, the bank waived these breaches. Given a challenging start to 2023 and the accounting implications of the new annual ticket the Group’s banking partner agreed to reset the profitability based covenant such that it is next tested at 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant was increased to account for higher levels of Bank of England base rates and the Group committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control. The changes are a further demonstration of the banks continued support for the Group.

ACCOUNTING POLICIES (continued)

During the first quarter of 2024 the Group breached the minimum cash level covenant for a short period as a result of a specific working capital phasing challenge. The bank were notified in advance and the Group actively managed cash during the period. The bank waived their rights under the breach.

Based on budgets for the period to December 2024 and the reforecast performed as part of this going concern assessment, all covenants are met and no further breaches are forecast.

However, as a result of the continued cost of living crisis there continues to be increased uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which can be flexed accordingly and, as was demonstrated during 2020 and 2021 there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that standard visitor number reductions of 1.2% can be borne without breaching the Group's covenants during the going concern assessment period. As part of the ordinary running of the business, a number of semi variable costs can be flexed and capital spend can be reduced in response to any downturn in visitor numbers to mitigate the impact of an income fall, increasing the fall which can be withstood to 1.5%. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end September 2025.

The Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

INCOME

Income is recognised when the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Income from government and other grants, including financial support through Coronavirus Business Interruption Loans and the Coronavirus Job Retention Scheme, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from gate admissions is recognised at point of entry. Income from the sale of annual passes is deferred and recognised evenly over the period that the pass is valid. Income from legacies is recognised at the point of receipt.

DONATED SERVICES AND FACILITIES

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

ACCOUNTING POLICIES (continued)

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis net of value added tax.

Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in the trading activities of the retail and catering functions.
- Expenditure on charitable activities includes costs associated with animals, education and conservation and includes both the direct costs and support costs relating to these activities.
- Support costs include central functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Zoo's activities. Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at historical cost less accumulated amortisation.

Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets over their estimated useful lives as follows:

IT software- 10% - 33% per annum

TANGIBLE FIXED ASSETS AND DEPRECIATION

The zoo's land and buildings has been revalued at adjusted depreciation replacement cost as at 31st December 2021, excluding assets under construction. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net difference between the written down value and the revaluation as each point in time has been recorded within the revaluation reserve. The difference between the depreciation based on the revalued carrying value and the depreciation based on the original cost is released from the revaluation reserve to other unrestricted funds each year. All other fixed assets are held at historical cost.

ACCOUNTING POLICIES (continued)

Depreciation of fixed assets are charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost. Assets in the course of construction are disclosed separately at a value equal to costs incurred to date. Once completed, they are reclassified and depreciated using the Group's depreciation policy below. No residual values are typically considered.

Zoo's freehold land and buildings revalued as at 31/12/2021	Variable dependant on component's life
Tools, plant and equipment	-10% - 20% per annum
Furniture and equipment	-10% - 25% per annum
Motor vehicle	-10% - 20% per annum
IT equipment	-33% - 50% per annum

Assets in the course of construction are transferred to the relevant asset category on the date of completion and depreciated from that date.

IMPAIRMENT

The carrying amounts of assets are reassessed when impairment indicators are present. An impairment loss would be recognised to the extent the carrying amount of an asset exceeds its estimated recoverable amount. The estimated recoverable amount is reviewed at subsequent balance sheet dates where further information is available.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less costs of disposals.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ZOO ANIMALS

Most of the Zoo's animals are part of international breeding programmes and are "on loan" and as such, are not owned by Twycross Zoo. No valuation is made of the animal collection at the end of each year. Where appropriate, purchases and sales appear in the financial statements as revenue items in the year in which they arise.

ACCOUNTING POLICIES (continued)

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the Statement of Financial Activities (SOFA) based upon the effective interest method.

TAXATION

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Its trading company usually donates the whole of its taxable profits to the Society each year, and tax relief is granted on the transfer if it is completed in compliance with current tax legislation.

RETIREMENT BENEFITS

The Charity runs a stakeholder pension scheme. The amount charged in respect of pension costs is the employer's contributions payable for the year. The pension scheme is a defined contribution scheme. The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

INVESTMENTS

Investments in the Company's' accounts relate to holdings in its subsidiary and are carried at cost.

RECOGNITION OF LIABILITIES

Liabilities are recognised when there is a legal or constructive obligation.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

The zoo's land and buildings are revalued at adjusted depreciation replacement cost which relies upon estimates around both the value of land in the current market as well as estimates around cost to replace the building assets held. These valuations are based on valuations performed by an independent valuation expert and ultimately approved by the Trustees.

As all tangible fixed assets are carried at either cost less depreciation or revaluation less depreciation, there is also a critical estimate associated with the useful economic lives associated with those assets. The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives, such as changes in technology. The useful lives will also depend on the future performance of the assets as well as management's judgement of the period over which economic benefits will be derived from the assets.

ACCOUNTING POLICIES (continued)

The Company provides catering in partnership with a third party provider and as such is required to consider whether it is principal or agent in the transaction. Having considered the various factors set out in FRS 102 Section 23 Revenue, the Company is considered to be acting as principal for transactions under the contract with the third party. This is primarily driven by the fact that the Company is exposed to 82.5% of the result and is therefore exposed to most of the risks and rewards of the activity. Furthermore, as the end customer is not likely to consider themselves as purchasing from an agent it is likely any poor performance on behalf of the third party would have a negative impact on the reputation of the Company, further exposing the Company to risks around performance. As a result of this judgment, catering is disclosed as income of £2,473k (2023: £2,375k) and £2,055k (2023: £1,805) of costs. If the Company had concluded it was an agent these figures would be disclosed net. There would be no net impact on profitability of the balance sheet position.

The defined benefit obligation is accounted for using a method that relies on actuarial assumptions to estimate the liability for inclusion in the financial statements. These actuarial assumptions include discount rates, inflation rate and mortality rates.

NOTES TO THE ACCOUNTS**1. COMPARATIVE SOFA****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ending 31 December 2022**

	2022			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
INCOMING RESOURCES				
FROM GENERATED FUNDS				
Voluntary				
Donations & Gifts	75	-	-	75
CHARITABLE ACTIVITIES				
Life Science, Education and Conservation Welfare	8,898	411	-	9,309
Activities For Generating Funds				
Retail & Catering	4,386	-	-	4,386
Government Business Support Grants	38	-	-	38
Investment Income	4	-	-	4
TOTAL INCOMING RESOURCES	13,401	411	-	13,812
RESOURCES EXPENDED				
COST OF GENERATING FUNDS				
Retail & Catering	(3,120)	-	-	(3,120)
CHARITABLE ACTIVITY				
Life Science, Education and Conservation Welfare	(11,655)	(99)	-	(11,754)
GOVERNANCE COSTS	(62)	-	-	(62)
TOTAL RESOURCES EXPENDED	(14,837)	(99)	-	(14,936)
NET INCOMING/(OUTGOING) RESOURCES	(1,436)	312	-	(1,124)
Other recognised gains and losses				
Actuarial loss on revaluation of pension liability	146	-	-	146
Gain on revaluation of fixed assets	-	-	-	-
NET MOVEMENT IN FUNDS	(1,290)	312	-	(978)
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	23,679	2,726	100	26,505
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	22,389	3,038	100	25,527

NOTES TO THE ACCOUNTS (continued)

2. DONATIONS AND LEGACIES

	2023 £'000	2022 £'000
Donations & Gifts	16	29
Legacies	63	46
	<u>79</u>	<u>75</u>

3. CHARITABLE ACTIVITIES

Life Science, Education and Conservation Welfare

	2023 £'000	2022 £'000
Unrestricted Income		
Gate Admissions and Donations	5,170	7,596
Gift Aid	762	241
Membership and adoptions	508	640
Educational visits	32	14
Other Income	559	407
	<u>7,031</u>	<u>8,898</u>
Restricted Income		
Research and Conservation Grants	537	411
	<u>7,568</u>	<u>9,309</u>

NOTES TO THE ACCOUNTS (continued)

4. RETAIL AND CATERING

	Notes	2023 £'000	2022 £'000
Turnover		4,312	4,386
Cost of Sales		(2,950)	(2,674)
		<hr/>	<hr/>
Gross Profit		1,362	1,712
Administrative Expenses		(981)	(989)
		<hr/>	<hr/>
Net Profit		381	723
Reconciliation to SOFA			
Cost of sales		2,950	2,674
Administrative Expenses		981	989
		<hr/>	<hr/>
		3,931	3,663
Less rent payable to parent		(491)	(527)
Less auditors remuneration analysed as governance costs		(21)	(16)
		<hr/>	<hr/>
		<u>3,419</u>	<u>3,120</u>

Turnover includes government support grants of Nil (2022 : Nil).

NOTES TO THE ACCOUNTS (continued)**5. ANALYSIS OF TOTAL EXPENDITURE**

	Retail & Catering Costs	Life Science, education and conservation welfare costs	2023 Total Costs	2022 Total Costs
				£'000
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Life Science	-	699	699	649
Building Expenses	-	2,310	2,310	2,154
Retail & Catering	2,950	-	2,950	2,674
Advertising & Publicity	-	1,163	1,163	1,347
Legal & Professional	1	193	194	433
	<u>2,951</u>	<u>4,365</u>	<u>7,316</u>	<u>7,257</u>
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Staff Costs	449	3,775	4,224	3,656
Office Expenses	19	1,174	1,193	1,198
Irrecoverable Vat	-	570	570	493
Depreciation & amortisation	-	1,919	1,919	1,783
Finance Costs	-	822	822	487
	<u>468</u>	<u>8,260</u>	<u>8,728</u>	<u>7,617</u>
2023 Totals	<u>3,419</u>	<u>12,625</u>	<u>16,044</u>	<u>14,874</u>
2022 Totals	<u>3,120</u>	<u>11,754</u>	<u>14,874</u>	

NOTES TO THE ACCOUNTS (continued)**6. NET INCOME**

	2023 £'000	2022 £'000
Net income is stated after charging:		
Operating lease rentals		
- plant and machinery	58	42
Auditors' remuneration		
- for audit services	49	54
- for non-audit services – tax advice	-	5
Depreciation of tangible fixed assets		
-leased assets	14	14
-owned assets	1,888	1,749
Amortisation of intangible assets	18	20
Cost of stock recognised as an expense	<u>817</u>	<u>831</u>

7. INTEREST EXPENDITURE

	2023 £'000	2022 £'000
Interest on bank loans and overdrafts	764	437
Other bank, interest and finance lease charges	35	43
Pension net interest expense (note 25)	<u>12</u>	<u>7</u>
	<u>811</u>	<u>487</u>

NOTES TO THE ACCOUNTS (continued)

8. TAXATION

	2023	2022
	£'000	£'000
Current tax:		
UK corporation tax on profits of period	-	-
Factors affecting tax charge for the period	-	-
<p>The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.</p>		
Profit on ordinary activities of Zoo Park (Twycross) Ltd	381	723
Tax at 25% on profit	95	137
Effect of distribution of profits to parent charity under gift aid	(95)	(137)
	<u> </u>	<u> </u>
Corporation Tax	<u> </u>	<u> </u>

Factors affecting tax charges in future years

Following on from the Budget in March 2021 the tax rate is to rise to 25% from 1 April 2023. There are no current planned changes to the tax rate at the time of signing. As the Company has no deferred tax balances there is not expected to be any impact of this change on the balance sheet.

NOTES TO THE ACCOUNTS (continued)**9. DIRECTORS AND EMPLOYEES**

DIRECTORS AND EMPLOYEES

Group staff costs:	2023 £'000	2022 £'000
Wages and salaries	3,798	3,297
Social security costs	321	273
Pension costs	154	129
	<u>4,273</u>	<u>3,699</u>

Higher paid employees

Salary Range	2023	2022
£200,000 - £210,000	-	1
£140,999 - £150,000	-	1
£100,000 - £109,000	-	-
£90,000 - £99,999	-	-
£80,000 - £89,999	2	-
£70,000 - £79,999	-	2
£60,000 - £69,999	2	2

2022 : Highest paid employee includes gross pay of £88k, plus payments for loss of office of £119k.

Pension and National Insurance Contributions of £56k (2022: £124k) were paid in respect of all higher paid employees, of which £20k (2022: £59k) relates to the highest paid employee.

Average monthly number of employees, based on headcount, including directors.

	2023 No.	2022 No.
Average monthly number of employees, based on head count including directors:-		
Education	9	5
Resources	23	21
Visitor services	65	56
Retail	29	31
Keepers	52	52
Vets	5	4
	<u>183</u>	<u>169</u>

NOTES TO THE ACCOUNTS (continued)**10. TRUSTEES**

Ordinarily all Trustees give their time freely, with the exception of out of pocket expenses which was the case in 2023. However, in 2022 D. Meek received £4,900 for services over and above his normal Trustee duties before progressing to an executive role and taking over as interim CEO. H. Mitchell also received £700 in 2022 for one off services over and above her normal Trustee duties). No further remuneration was paid to the Trustees, and none are accruing benefits under pension schemes.

During the year, three (2022: six) Trustees were reimbursed expenses of £685.85 (2022: £2,567), relating to travel and accommodation costs.

The key management personnel of the group comprise those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including pension and employer's national insurance contributions amounted to £361k (2022: £806k).

11. INTANGIBLE ASSETS	IT Software £'000	Total £'000
Cost		
1st January 2023	148	148
Additions	-	-
31st December 2023	<u>148</u>	<u>148</u>
Amortisation		
1st January 2023	118	118
Charge for the year	18	18
31st December 2023	<u>136</u>	<u>136</u>
Net Book Value		
31st December 2023	<u>12</u>	<u>12</u>
31st December 2022	<u>30</u>	<u>30</u>

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2023

NOTES TO THE ACCOUNTS (continued)

12. TANGIBLE FIXED ASSETS

Cost or valuation	Freehold						Assets Under Construction £'000	Total £'000
	Land & Buildings £'000	Tools, Plant & Equipment £'000	Furniture & Equipment £'000	Motor Vehicles £'000	IT Equipment £'000			
1st January 2023	33,109	880	3,124	24	889	451	38,477	
Additions	182	5	28	-	9	799	1,023	
31st December 2023	33,291	885	3,152	24	898	1,250	39,500	
Depreciation								
1st January 2023	1,292	690	1,130	24	615	-	3,751	
Charge for the year	1,477	42	240	-	143	-	1,902	
31st December 2023	2,769	732	1,370	24	758	-	5,653	
31st December 2023	30,522	153	1,782	-	140	1,250	33,847	
31st December 2022	31,817	190	1,994	-	274	451	34,726	

The net book value of tools, plant and equipment includes assets held under finance leases costing £153k (2022: £144k) which incurred depreciation during the year ended 31 December 2023 of £42k (2022: £14k). The zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31 December 2021 by Charterfields Ltd who are registered under RICS. The net book value of the land and buildings prior to this revaluation was £25,665k, the revaluation was an upwards movement of £3,240k. Some assets previously capitalised as Land and Buildings are now being used as part of The Gruffalo Discovery Land. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net book value of freehold land and buildings includes £1,596k (2022: £1,624k) relating to the Tiger enclosure asset which incurred depreciation of £32k during the year ended 31 December 2023 (2022: £32k). Metro Bank Plc have a debenture against all assets of the business, which includes a first legal charge over the property at the zoo site. Wates Property Services Limited have a debenture specifically against the tiger enclosure asset for £886k (2022: £886k). The Metro Bank Plc debenture takes precedence over this.

NOTES TO THE ACCOUNTS (continued)

13. INVESTMENTS

COMPANY	2023 £'000	2022 £'000
Investment in Subsidiary Company	73	73

The company owns 9,600 £1 ordinary shares in Zoo Park (Twycross) Limited ("Zoo Park") (company number 709915) being the whole of the issued share capital of that company. Zoo Park (Twycross) Limited is incorporated in, and operates in, the United Kingdom, its registered office being the same as the parent company. Its principal activity is the provision of catering and leisure services.

Zoo Park's turnover for the year is £4,312k (2022: £4,398k) and its expenditure is £3,931k (2022: £3,675k).

The Trustees consider that the underlying value of its investment in the subsidiary company is not materially different to its cost of £73k.

The subsidiary company has a payable of £Nil (2022: £248k), under gift aid to the parent company.

The subsidiary company's retained profit for the financial year is £nil (2022: £nil) and its capital and reserves at 31 December 2023 are £527k (2022: £527k).

14. STOCKS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Giftshop & Guides	235	318	-	-
Spares for Operations	-	4	-	4
	<u>235</u>	<u>322</u>	<u>-</u>	<u>4</u>

NOTES TO THE ACCOUNTS (continued)**15. DEBTORS**

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts owed by subsidiary	-	-	359	663
Trade debtors	34	56	34	55
Other debtors	408	208	277	109
Prepayments & accrued income	240	251	236	251
	<u>682</u>	<u>515</u>	<u>906</u>	<u>1,078</u>

Included within other debtors are VAT receivables of £33k (2022: £99k).

16. CREDITORS: Amounts falling due in less than one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
CBIL loan	109	78	109	78
Bank loans	160	158	160	158
Finance leases	5	29	5	29
Trade creditors	524	303	475	298
Other taxation & social security	71	68	71	68
Accruals & deferred income	3,485	1,146	3,418	1,076
Capital creditor	129	126	129	126
	<u>4,483</u>	<u>1,908</u>	<u>4,367</u>	<u>1,833</u>

Included within tax and social security are pension contributions of £3k (2022: £1k). Included within accruals is deferred income relating to the sales of annual membership passes. The value of memberships included in income earned from charitable activities during the current year is £480k (2022: £640k) and the amount deferred is £133k (2022: £461K). Deferred income from annual ticket sales is £2,464k (2022: £Nil).

NOTES TO THE ACCOUNTS (continued)**17. CREDITORS: Amounts falling due in more than one year**

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
CBIL LOAN	4,114	4,221	4,114	4,221
Finance Lease Obligations	-	8	-	8
Bank Loans	5,218	5,378	5,218	5,378
Capital Creditor	631	760	631	760
	<u>9,963</u>	<u>10,367</u>	<u>9,963</u>	<u>10,367</u>

Bank loans relates to £5,700k borrowed from Metro bank in 2019 at a rate of 3% above the Bank of England base rate. The average rate of interest on this loan during the year was 7.54% (2022: 4.16%). In 2019 interest payments of £88k were suspended and added to the principal borrowed. Monthly capital repayments commenced in June 2022 with final payment due in 2039.

In March 2021 the company borrowed £4,300k from Metro Bank with capital repayment commencing in March 2023 at a rate of 3.50% above the Bank of England base rate. The interest on this loan was covered by a COVID Business Interruption Support Grant for the first 12 months. The amount of grant received in the year was £Nil (2022: £38k). The final payment will be made in 2027. The average rate of interest on this loan during the year was 8.04% (2022: 3.73%).

Capital creditors relate to the debenture against the tiger enclosure held by Wates Property Services Limited. This financing arrangement was entered into in July 2019, with the final payment due in June 2029. The average interest rate on capital creditors during the year was 3.0% (2022: 3.0%)

The Group breached one of their banking covenants in the first two quarters of 2023 which was notified to the bank. The bank reserve their rights under the existing agreements, however, given a challenging start to 2023 and the accounting implications of the new annual ticket the Group's banking partner has agreed to reset the profitability based covenant such that it is next tested at 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant was increased to account for higher levels of Bank of England base rates and the Group committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control. The changes are a further demonstration of the banks continued support for the Group.

During the first quarter of 2024 the Group breached the minimum cash level covenant for a short period as a result of a specific working capital phasing challenge. The bank were notified in advance and the Group actively managed cash during the period. The bank waived their rights under the breach.

MATURITY OF LOANS & BORROWINGS AND CAPITAL CREDITORS

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Under one year	398	362	398	362
Between two and five years	5,475	5,515	5,475	5,515
Over five years	4,488	4,841	4,488	4,841
	<u>10,361</u>	<u>10,721</u>	<u>10,361</u>	<u>10,721</u>

NOTES TO THE ACCOUNTS (continued)

18. FUNDS

ENDOWMENT FUND

	£'000
1 January 2023 and 31 December 2023	100

UNRESTRICTED FUNDS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Designated Funds				
1 January	16,498	17,441	16,498	17,441
Transfer from Designated funds to Other Unrestricted Funds	(4,260)	(943)	(4,260)	(943)
	<u>12,238</u>	<u>16,498</u>	<u>12,238</u>	<u>16,498</u>
31 December	12,238	16,498	12,238	16,498
Fixed Assets	10,871	15,131	10,871	15,131
Conservation Welfare	1,367	1,367	1,367	1,367
	<u>12,238</u>	<u>16,498</u>	<u>12,238</u>	<u>16,498</u>

The Conservation Welfare Fund is to provide grants to wildlife conservation and/or welfare projects.

During 2019, the Trustees implemented a policy to establish a designated fund relating to tangible fixed assets. Establishing this designated fund reflects the Group's net assets are largely attributed to capitalised tangible fixed assets, which do not provide free funds which are available for use. The policy requires that an amount which equates to approximately three months of unrestricted spending expenditure is maintained in free reserves and is not designated. The carrying value of tangible fixed assets at 31 December 2023 was £33,847k (2022: £34,716k), see note 12. A reconciliation between total funds and the significant components of net assets is provided in note 20. During 2023 £4,260k have been transferred to "Other Unrestricted Funds" from "Designated Funds" (2022: £1,292k transferred to "Other Unrestricted Funds" from "Designated Funds"), resulting in total "Other Unrestricted Funds" of £1,204k and £750k for the Group and Company respectively (2022: £1,204k and £750k).

NOTES TO THE ACCOUNTS (continued)

Note 18 (Continued)

Revaluation Reserve	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
1 January	4,687	5,034	4,687	5,034
Revaluation during the year	-	-	-	-
Annual Transfer from Revaluation Reserve to Other Unrestricted Funds	(347)	(347)	(347)	(347)
31 December	<u>4,340</u>	<u>4,687</u>	<u>4,340</u>	<u>4,687</u>

Other Unrestricted Funds

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
1 January	1,204	1,204	750	750
Net surplus for the year	(4,599)	(1,436)	(4,599)	(1,436)
Actuarial Gain on revaluation of pension liability	(8)	146	(8)	146
Transfer from Revaluation Reserve	347	347	347	347
Transfer from Designated Funds - Fixed Assets	4,260	943	4,260	943
31 December	<u>1,204</u>	<u>1,204</u>	<u>750</u>	<u>750</u>
Total unrestricted funds	<u>17,782</u>	<u>22,389</u>	<u>17,328</u>	<u>21,935</u>

NOTES TO THE ACCOUNTS (continued)

Note 18 (Continued)

RESTRICTED FUNDS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
1st January	3,038	2,726	3,038	2,726
Income in the year	537	411	537	411
Expended in the year	<u>(93)</u>	<u>(99)</u>	<u>(93)</u>	<u>(99)</u>
31st December	<u>3,482</u>	<u>3,038</u>	<u>3,482</u>	<u>3,038</u>

	1st January 2023 £'000	Income £'000	Expenditure £'000	31st December 2023 £'000
Himalaya	2,125	-	75	2,050
Changing Places Grant	49	-	2	47
LLEP SME Growth Fund	460	-	14	446
International Zoo Management Project	-	3	3	-
National Science and Conservation Centre (NSCC)	403	535	-	938
Other	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
	<u>3,038</u>	<u>538</u>	<u>94</u>	<u>3,482</u>

NOTES TO THE ACCOUNTS (continued)

Note 18 (Continued)

Himalaya

Twycross Zoo was awarded a grant of £3,000k by the East Midlands Development Agency towards the construction of a new visitor welcome centre. 'Himalaya' is a landmark project for the East Midlands region. The value of the building is held in Fixed Assets and the fund is amortised over the buildings estimated useful life.

Changing Places Grant Fund

The Changing Places Grant Fund was provided to fund some specific capital expenditure incurred during 2018 and is being amortised over its useful life.

LLEP SME Growth Fund

The Zoo Development Fund represents amounts received from Leicester and Leicestershire Enterprise Partnership to support the Trustees' master plan to develop the zoo infrastructure, The funds were expended on fixed assets during the 2015 financial year. The fund is amortised over the estimated useful life of the assets.

International Zoo Management Project

This is an Erasmus+ funded programme dedicated to the development of higher-level training in international zoo management. The project brings together the zoo with the higher education sector to develop a structured training programme that blends the applied/experiential-based knowledge of the zoo sector with the rigour of Higher Education-based pedagogy and research. The outcome will be a defined training curriculum incorporating three specific training modules that target International zoo welfare and management, International management of zoo-based conservation, and ethical and legal issues with international zoo management.

National Science and Conservation Centre

Following a successful bid for government levelling up funding, Twycross Zoo has secured funds for the National Science and Conservation Centre, which is due for completion in 2025. Design and planning work is now underway for which £403k of funds were received within the year.

19. RECONCILIATION OF FUNDS

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
(Deficit) for the year	(4,155)	(1,124)	(4,155)	(1,124)
Actuarial gains on revaluation of pension liability	(8)	146	(8)	146
Gains on revaluation of fixed assets	-	-	-	-
Opening funds	<u>25,527</u>	<u>26,505</u>	<u>25,073</u>	<u>26,051</u>
Closing funds	<u>21,364</u>	<u>25,527</u>	<u>20,909</u>	<u>25,073</u>

NOTES TO THE ACCOUNTS (continued)

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Intangible fixed assets (note 11)	12	-	-	12
Tangible fixed assets (note 12)	30,266	3,482	100	33,848
Cash at bank and in hand	1,306	-	-	1,306
Other net current assets/(liabilities)	(3,566)	-	-	(3,566)
Long term liabilities (note 17)	(10,236)	-	-	(10,236)
	<u>17,782</u>	<u>3,482</u>	<u>100</u>	<u>21,364</u>

2022	Unrestricted Funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Intangible fixed assets (note 11)	30	-	-	30
Tangible fixed assets (note 12)	31,588	3,038	100	34,726
Cash at bank and in hand	2,462	-	-	2,462
Other net current assets/(liabilities)	(1,071)	-	-	(1,071)
Long term liabilities (note 17)	(10,620)	-	-	(10,620)
	<u>22,389</u>	<u>3,038</u>	<u>100</u>	<u>25,527</u>

NOTES TO THE ACCOUNTS (continued)

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Operating lease obligations are shown below.

	2023 £'000	2022 £'000
Under 1 year	74	82
Between 1-5 years	32	109

There were no other guarantees or financial commitments at 31 December 2023 (2022: £nil).

22. CASHFLOW

RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net (outgoing) resources	(4,155)	(1,124)
Depreciation & amortisation	1,920	1,783
Amortisation of loan arrangement fees	12	12
Interest expense	812	487
Movement in stocks	88	(187)
Movement in debtors	(167)	(198)
Movement in creditors	2,543	82
	1,053	855

22 (b) Analysis of movement in net debt

	1 January 2023 £'000	Cash Flows £'000	Interest and finance Charges £'000	31 December 2023 £'000
Cash and cash equivalents	2,462	(1,156)	-	1,306
Loans	(9,836)	999	(764)	(9,601)
Finance leases	(37)	35	(3)	(5)
Capital creditors	(886)	150	(24)	(760)
Net Debt	(8,297)	28	(791)	(9,060)

NOTES TO THE ACCOUNTS (continued)

23. RELATED PARTY TRANSACTIONS

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited ("Zoo Park")

Transactions with Zoo Park were as follows:

	2023 £'000	2022 £'000
Zoo Park profit gift aided to parent	381	723
Intercompany rent and other recharges	491	527
Intercompany Purchases from Zoo Park	-	(12)

As at 31 December 2023 Zoo Park (Twycross) Limited owed the parent company £358k (2022: £663k).

24. CONTINGENCIES

There are no contingent liabilities at the 31 December 2023 (2022: £ nil).

NOTES TO THE ACCOUNTS (continued)**25. PENSION LIABILITIES**

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

Principal actuarial assumptions at the balance sheet date

	Year to 31 December	
	2023	2022
Discount rate	4.50%	4.80%
RPI price inflation	n/a	n/a
CPI price inflation	n/a	n/a
Mortality (pre and post-retirement)	S3PXA light table with future improvements in line with the CMI 2021 projection model were used with a long term trend rate (LTTR) of 1.5% pa (2022: 2021 projection model, with LTTR of 1.5%)	
The amounts recognised in the statement of financial position	£'000	£'000
EFRBS unfunded Liability	273	253
The amounts recognised in the statement of financial activities	£'000	£'000
Net Interest Cost	12	7
The amounts recognised in the statement of other comprehensive income	£'000	£'000
Actuarial gain/(loss) on EFRBS Unfunded Liability	(8)	146
Sensitivity analysis	Increase in Liability	
	2023	2022
	£'000	£'000
Discount rate decreased by 0.1%	4	4
Life expectancy increased by one year	6	5

The above sensitivity analysis is based on isolated changes in each assumption whilst holding all other assumptions constant. In practice, that is unlikely to occur and there is likely to be some level of correlation between the movements in different assumptions.

For the year ended 31 December 2023, the total amount of actuarial re-measurement gain recorded in Other Recognised Gains/(Losses) (other comprehensive income) was (£8)k (2022: £146k). The net interest expense recognised in Total Expenditure was £12k (2022: £7k).

TWYCROSS ZOO-EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

England & Wales - Charity number 501841

Accounts



Twycross Zoo - East Midland Zoological
Society Limited
(limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2022

Company Number 1060956
Registered Charity Number 501841

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

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Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

ADMINISTRATION, OFFICERS AND ADVISORS

REGISTERED OFFICE

Norton Grange
Norton-Juxta-Twycross
Atherstone
Warwickshire, CV9 3PX

REGISTERED NUMBER

1060956

CHARITY NUMBER

501841

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law are:

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

H J Mitchell

T B Payne

T Maxted

D Beckett

PC Popham

M Bennett

COMPANY SECRETARY

M Dytham

AUDITOR

Ernst & Young LLP

1 Colmore Square

Birmingham

B4 6HQ

BANKERS

Metro Bank plc

Southampton Row

London

WC1B 5HA

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

REPORT OF THE TRUSTEES

The Trustees present their annual report, together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 December 2022, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act 2006 purposes.

CONSTITUTION

Twycross Zoo – East Midland Zoological Society Limited ("Twycross Zoo" and "the Zoo") is a private company limited by guarantee (incorporated in England and Wales with company registration number 1060956) governed by adopted Articles of Association as amended 24 June 2019. The Trust is also constituted as a registered charity with the Charity Commission – charity registration number 501841.

The Board of Trustees ("the Board") confirm that the financial statements comply with current generally accepted accounting principles.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The board of directors are the trustees of the charity supported by the executive management team who together comprise the key management personnel of the charity. The executive management team are in charge of directing controlling, running and operating the Zoo on a day-to-day basis. Ordinarily, all Trustees give their time freely, however, in the current year David Meek received £4,900 over and above his normal Trustee duties before progressing to an executive role and taking over as Chief Executive Officer ("CEO"). Following Sharon Redrobe's resignation, David Meek resigned as a trustee to serve as interim CEO. Helen Mitchell also received £700 for one off services over and above her normal Trustee duties.

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are:

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

D J Meek

G A Middleton

H J Mitchell

T B Payne

J Thornell

T Maxted

D K Beckett

P C Popham

M Bennett

Resigned 22 June 2022

Resigned 1 January 2023

Resigned 27 June 2022

Appointed 24 October 2022

Appointed 1 January 2023

Appointed 11 December 2023

Appointed 11 December 2023

KEY MANAGEMENT PERSONNEL

S Redrobe OBE

D J Meek

C Dunkerley

K Clarke

R Walker

C Watson

R Biddle

S O'Connor

Chief Executive Officer – Resigned 30 June 2022

Chief Executive Officer – Appointed 30 June 2022

Resigned 26 February 2023

Chief Executive Officer – Appointed 5 June 2023

Chief Operations Officer – Resigned 17 May 2022

Finance Director – Resigned 27 July 2022

Finance Director – Appointed 27 July 2022

Director of Conservation

Commercial Head of Retail and Operations – Appointed
1 August 2022

REPORT OF THE TRUSTEES (continued)

Method of appointment, induction and training of Trustees

The Board appoint new Trustees as and when they see fit in order to maintain an appropriate range of skills and experiences amongst the members. New Trustees undergo an extensive Induction Programme and briefing sessions on the organisation, its aims and objectives. They are provided with a copy of the constitution, roles and responsibilities of being a Trustee at Twycross Zoo, the most current Annual Report and Financial Statements, management accounts, the current business plan, management structures, policies relating to health & safety, equal opportunities, animal collection plan, economic impact assessment and development assessment.

Throughout the year, Trustees meet with the CEO and the Executive/Management team for regular updates regarding the performance and strategic delivery of the Zoo. In addition, Trustees attend events held during the year which gives them the opportunity to meet with management within the organisation as well as visitors to the zoo.

Indemnity Insurance

The Trust maintains indemnity insurance on behalf of its Trustees.

Organisational Structure

The Board of Trustees meet on a quarterly basis and call special General Meetings as and when these are required. In addition, the Chairman visits the Zoo regularly to review activities within the Zoo and also meets with the CEO on a regular basis.

Oversight is provided by a structure of Committees delegated by the main Board. These Committees include Finance and Audit & Risk who meet quarterly and Animal Conservation & Education who convene bi-annually.

The Finance Committee reviews current financial performance and ensures that future plans are properly costed and adequate funding is identified prior to being presented to the Board. The Finance Committee agrees the meeting frequency and dates in advance based on the needs of the organisation. This has resulted in meetings being held on a quarterly basis since 2019 and the Finance Committee members receiving management information on a monthly basis.

During the year there was a reorganisation with the departure of the CEO and Chief Operating Officer with the Vice Chair of the Board of Trustees resigning from their position in May 2022 to become interim CEO in June 2022. The Finance Director also departed their role in July 2022, with a successor in place immediately. At year end the Executive Team was made up of the interim CEO, Finance Director and Director of Conservation and Commercial Head of Retail and Operations. The role of Company Secretary moved to the Finance Director and then to the newly created post of Executive assistant to the CEO and Trustees. Subsequent to the year end a new permanent CEO joined the executive from June 2023. The Executive Team was charged with management of daily operations and with proposing policy to the Board of Trustees. This process was managed by quarterly Board meetings with Trustees which are formally minuted.

Pay policy for staff

Ordinarily all Trustees give their time freely, with the exception of out of pocket expenses. However, in the current year David Meek received £4,900 for services over and above his normal Trustee duties before progressing to an executive role and taking over as interim CEO. Helen Mitchell also received £700 for one off services over and above her normal Trustee duties.

The pay of staff is reviewed annually and subject to financial performance, an increase may be awarded. In view of the nature of the charity, methodology and benchmarking is gained from inside and outside the industry and similar roles are also used to assess pay and rewards. These include:

- benchmarking against pay levels in other similar organisations
- market rate analysis conducted where similar roles operate.

Where necessary a market addition is paid but limited to the highest benchmarked salary for a comparable role.

All staff are paid at least the National Minimum Wage appropriate to their age with pay rates adjusted in line with relevant legislation during the year.

REPORT OF THE TRUSTEES (continued)

STRATEGIC REPORT

PRINCIPAL OBJECTIVES AND ACTIVITIES

The charity's principal charitable objectives include the enhancement of animal welfare, conservation, education, research, and recreation for the visiting public. The group also carries out retail and catering activities to generate additional income through its subsidiary company, Zoo Park (Twycross) Limited.

The Trust owns and manages Zoological Gardens at Norton-Juxta-Twycross in Leicestershire covering an area of some 95 acres.

The Trust's aims and objectives are:

- Life Sciences - Practice professional standards of animal care and welfare and develop environmental enrichment programmes to give the animals a fulfilled life, both physically and mentally.
- Conservation - Incorporate the animals, wherever possible, into regional and global breeding programmes to aid species conservation. Support sound genetic management and co-operative policies to maintain the genetic diversity of species in its care and support appropriate field programmes and reintroduction projects.
- Education - Develop formal and informal education programmes for all sectors of society regarding wildlife and its conservation (biodiversity).
- Research - Encourage the scientific study of animals in areas that further animal welfare and conservation.
- Financial Resilience - Generate an income to fulfil the above and for the provision of facilities in the Zoo for the recreation and enjoyment, education and cultural enrichment of its visitors.

The key developments and achievements in each of these areas is detailed in the following pages.

Life Sciences

In 2022 Twycross Zoo opened The Gruffalo Discovery Land, where visitors can discover Mouse, Fox, Owl, Snake – and of course the Gruffalo himself – along an interactive journey through the deep, dark wood. Alongside the much-loved characters from the bestselling children's book *The Gruffalo* written by Julia Donaldson and illustrated by Axel Scheffler, the land includes a number of animal exhibits that were reopened and redeveloped during the past four years. These include Butterfly Paradise, a free flight butterfly house, home to many tropical butterfly species and birds including the Victoria crowned pigeon, a new owl aviary for the great grey owl, a refurbished aviary home to red crested turaco and a pair of hamerkops, and a goat walk though where visitors can get close to our group of friendly African pygmy goats. Additionally, two new reptile vivariums were developed, allowing us to move our boa constrictor into a larger more suitable enclosure, and to bring in a new snake species as part of a managed EEP – the Jamaican boa.

As a member of EAZA, the European Association of Zoos and Aquaria, Twycross Zoo participated in 47 coordinated breeding programmes within Europe during the year and as such several species produced offspring. The following is a selection of births and hatchings during 2022, many of which are part of coordinated European breeding programmes:

- 2 emperor tamarins
- 2 Francois' langur
- 1 bonobo
- 1 Humboldt penguin
- 3 black-crowned night heron
- 8 rainbow lorikeets

REPORT OF THE TRUSTEES (continued)

Conservation

Twycross Zoo is fully committed to accelerating global conservation efforts via a number of approaches. The Zoo is home to many endangered species, with a large number of them being part of conservation breeding programmes coordinated at a European level, which ensure that genetically viable populations continue to be effectively managed. Once again, the pandemic, coupled with Brexit and the UK's exit from the European Union, has had a disastrous impact on our ability to move animals between the UK, Europe and the rest of the world. This has prevented the completion of many planned animal transfers as part of those programmes throughout the year, impacting our ability to be able to work with our European colleagues effectively.

Compared to pre-Brexit years, where in the region of 40 such transfers would be completed, only 6 overseas moves took place during 2022. These included a critically endangered female Amur leopard to Memphis Zoo, Tennessee, a pair of crowned lemurs to Johannesburg in South Africa, a Diana monkey to Amsterdam and 2 Francois' langurs to Fota Wildlife Park in The Republic of Ireland.

A large number of animal moves within the UK were completed however, including departures of a second Twycross born Amur leopard to Yorkshire Wildlife Park, an emperor tamarin to Wild Discovery, a red titi monkey to Exmoor Zoo, a flock of 7 cattle egrets to Folly Farm in Pembrokeshire, a Verreaux's eagle owl to Chester Zoo, 3 black and white colobus monkeys to Call of the Wild, Essex, 8 ring-tailed lemurs to Askham Bryan Wildlife & Conservation Park and a Victoria crowned pigeon to London Zoo. The majority of these moves were part of the relevant European breeding programmes which we work closely with.

There were also several notable arrivals during the year, including a male De Brazza's monkey from Blackpool Zoo, a male snow leopard from The Big Cat Sanctuary in Kent, a male vicuña from Knowsley Safari Park, a female hamerkop from Chester Zoo and 2 male Jamaican boas, a new species for Twycross, from Birmingham Wildlife Conservation Park. All arrivals were part of European breeding programmes and will enable us to continue breeding with the majority of these species.

Twycross Zoo's commitment to species management is evident in the Zoo's continued representation at both national and international level through its involvement in key working groups and committees focusing on species management and welfare. We continue to be members of European and international organisations, including the British and Irish Association of Zoos and Aquariums (BIAZA), the European Association of Zoos and Aquaria (EAZA), the World Association of Zoos and Aquariums (WAZA) and the International Union for Conservation of Nature (IUCN). Furthermore, Twycross Zoo remains active as a conservation partner of GRASP-UN, which is the only non-human species-focused UN programme.

The Zoo's continued participation in worldwide managed species programmes, including EEP (EAZA Ex-situ Programmes) and ESB (European Studbooks) ensures the continued genetic health of the animals and populations. The Zoo coordinates the European breeding programmes for the siamang gibbon, black howler monkey and Ecuadorian Amazon parrot and actively participates in a number of others, including for Eastern black rhino, Sumatran tigers and the bonobo, one of the four great apes and kept only by Twycross Zoo in the UK.

The Director of Conservation, Dr Rebecca Biddle is Chair of the EAZA Population Management Advisory Group, Curator of Animal Operations, Lynsey Bugg is a member of the Gibbon Taxonomic Advisory Group, Great Ape Working Group and Species Committee member for the lowland gorilla EEP, with Neil Dorman, Curator of Animal Developments being an elected member of several EEP Species Committees, including for bonobo, bush dogs and both Amur and snow leopard. The Veterinary Services Manager, Phillipa Dobbs is the Chair of the BIAZA veterinary focus group, veterinary advisor for the BIAZA Mammal Working Group and the veterinary advisor for the siamang gibbon and bush dog EEP's.

REPORT OF THE TRUSTEES (continued)

The Research and Conservation Manager Lisa Gillespie is a member of the BIAZA Research Committee and Dr Rebecca Biddle is a member of the BIAZA Field Conservation Committee.

2022 saw developments regarding the Zoo's conservation strategy, and an agreed increase in our conservation spend in 2022 and beyond, recognising the important role Twycross zoo plays as a large charitable zoo and conservation organisation. Our conservation strategy focuses on six key pillars underpinned by conservation research, education and training:

1. Support the maintenance of healthy ex-situ populations of managed species, with a focus on threatened primates and species with a conservation breeding role.
2. Build conservation resources and capacity in house and in animal range countries to support the preservation of wild populations and their habitats.
3. Deliver conservation education to promote positive behaviour change for wildlife conservation.
4. Enhance the value of zoos for wildlife conservation by influencing relevant national policy and securing the future and impact of conservation zoos.
5. Conserve UK native wildlife and habitats on our site and beyond and support key UK environmental initiatives
6. Become a sustainable organisation and minimize our contribution to global climate change.

A new focus on UK native species conservation will help deliver greater impact for Twycross Zoo, enable greater involvement in our local communities and support national priorities in terms of developing a nature recovery network. This year we have funded two projects in partnership with Leicestershire and Rutland Wildlife Trust (LRWT). The first brought together stakeholders including Leicestershire County Council, Environment Agency Housing developers, farmers and landowners to support the development of a local nature recovery strategy for the county of Leicestershire and will feed into national commitment of 30 by 30. That is 30% of land in England managed for biodiversity by 2030. We have also begun work on our own Biodiversity Action Plan (BAP) for the Twycross Zoo Nature Reserve, which we will look to launch in 2023 with our own pledge for 30% of our land to be managed for native biodiversity by 2030. The second project will work in partnership with LRWT and the National Forest Company to survey the county for the Hazel dormouse believed to no longer persist in the local area. We will look at the opportunity for species recovery if suitable habitat exists and ecological conditions are favourable, conducting detailed woodland surveys and habitat suitability assessments in the first stage of the project.

In 2022 Twycross Zoo joined Butterfly Conservation's UK Butterfly Monitoring Scheme by setting up a recognised butterfly transect within Twycross Zoo Nature Reserve. By contributing to this national database, we aim to help improve scientific understanding of the abundance, dispersal and movement of butterfly species in the UK, while also establishing a baseline data for the Lepidoptera diversity on our land. We are also exploring the possibility of a new project with BC to introduce an endangered day flying moth species back to England, where we would use our expertise to support the captive breeding and release programme.

As part of our commitment to achieve Carbon Net Zero we undertook a full site carbon audit. As part of this, we plan to become carbon neutral by 2030 including removing 100% of fossil fuels from our site. We have already adopted renewable technologies including a biomass boiler powering our main visitor centre and LED lighting across the site. We have reduced 530 tonnes of CO2 emissions, almost 50% of the zoos carbon footprint, by adopting electricity from a renewable source.

REPORT OF THE TRUSTEES (continued)

We have also rolled out a Dry Mixed Recycling scheme in all staff areas, including a crisp packet recycling scheme and a mobile phone recycling scheme for staff and visitors. Sustainable fish and palm oil policies are in place as part of our commitment to conserving the environment and resources within it.

Twycross Zoo recycles wastewater discharged from the site through a 19-pond reed bed filtration system. Using only natural ecological processes the wetland habitat created has seen native biodiversity flourish with many BAP species identified through regular surveying. The Twycross Zoo Nature Reserve is free for local communities and public to use, including an interpretive nature trail and a bird hide situated over a wildlife rich pond with educational materials to help ID native species.

In 2022 we launched a new in-situ conservation fund, supporting a selection of existing and new partners. This support enables globally important conservation work to preserve endangered species and habitats. Twycross Zoo focuses on supporting organisations, which are making a difference to wild populations, delivering conservation education in communities to help protect species and habitats or rescuing and rehabilitating animals under threat from anthropogenic pressures. The new fund involves a detailed application process, which will help us better monitor and evaluate the conservation impact being delivered by our partners and identify areas where TZ financial support and expertise is best focused.

The partners we have supported this year include:

The Amazona Lilacina (AL) Foundation was set up to safeguard the future of the Ecuadorian Amazon parrot (*Amazona lilacina*). Despite legal protection under Ecuadorian law, this Critically Endangered species is only found in the mangroves and dry forests of coastal Ecuador, where a small declining population of just 1,000 birds remains. The AL Foundation works in three core areas: community led conservation, scientific research, and conservation education. Twycross Zoo will be supporting a campaign in the towns close to the range of this parrot, aiming to celebrate the species through the use of community art and parades. The species is frequently trapped for pet keeping locally and internationally, therefore these celebrations will form part of long term aims to reduce the demand for these birds as pets and protect their vulnerable nesting and roosting sites from persecution. This is a new partner for Twycross Zoo in 2022, which links in-situ and ex-situ conservation as we look to bring the Ecuadorian Amazon parrot into our collection and also coordinate the EEP for this species.

Ape Action Africa (AAA) rescue endangered primates from the illegal wildlife trade. As the largest sanctuary in Cameroon, AAA supports hundreds of primates including a significant number of chimpanzees and gorillas. Twycross Zoo has been supporting AAA through financial aid, donating medical supplies, alongside our veterinary team providing advisory support from the UK and, during visits to the sanctuary, conducting vital health checks, supporting translocation of animals and providing training to AAA staff in Cameroon. In 2022, for the first time since AAA was founded, a small population of wild chimpanzees have been reported in forests close to the sanctuary. This is of huge importance, and thus we will be supporting their work to investigate this report and to enhance the protection of the habitat by reducing detrimental human impact on this forest.

Friends of Bonobos (FoB) are the only sanctuary to have rescued, rehabilitated and re-wilded a group of bonobos. Lola ya Bonobo is the world's only sanctuary for orphaned bonobos and Ekolo ya Bonobo Community Reserve is the world's only bonobo release site, where now over 30 released bonobos live under the protection of the local communities. Twycross Zoo have supported FoB since 2007 by contributing to the daily running costs of the sanctuary, supporting the rewilding programme in the reserve, and funding conservation education programmes.

REPORT OF THE TRUSTEES (continued)

We continue to support the delivery of an anti-poaching conservation education and awareness-raising campaign which is vital to reduce the greatest threat to bonobos in the wild, illegal poaching.

Borneo Nature Foundation (BNF) is a significant conservation NGO based in Indonesia that works with local stakeholders to protect important areas of tropical rainforest, safeguard wildlife, and support indigenous culture in Borneo. The forests of Central Kalimantan are home to Bornean orangutan, white bearded gibbon, Borneo bay cat, red langurs, Sunda clouded leopards and many more threatened species. Twycross Zoo has been supporting BNF for a number of years and will continue to focus our support on their conservation education programme which aims to provide children with an appreciation for nature, and the knowledge and tools to facilitate them to become enablers of future change. BNF delivered the first conservation talk, since pre-covid in 2022, delivering a talk focused on community education and their gibbon monitoring programme, to a full Windows on the Wild. We are now stocking the BNF children's book in our gift shop and hope to extend the range to include locally made products that support sustainable livelihoods in Borneo.

Wildtracks, Belize was established in 1990 as a manatee rescue centre and now running very successful primate rescue, rehabilitation and reintroduction programmes. Following their great success in reintroducing endangered Yucatán black howler monkeys, Wildtracks have also released two groups of rehabilitated spider monkeys in Belize's protected North East Biological Corridor. In 2019 Twycross Zoo travelled to Belize to support the first release, conducting pre-release health checks and training Wildtracks vets to international standards. This support enabled Wildtracks vets to manage the 2022 release themselves with Twycross Zoo contributing to the satellite collars to monitor released individuals and gather important data for future releases. We also provided filming equipment to capture the release and produced a short film to raise awareness of Wildtracks and our partnership, which gained significant engagement across our social media channels. We will continue to support Wildtracks' primate programme and their goal to further disseminate knowledge across the region to improve conservation outcomes throughout Central America.

Fauna and Flora International (FFI) run the Cao Vit gibbon project, to help increase numbers of this Critically Endangered primate. The Cao Vit gibbon has an estimated population of around 130 animals endemic to the forests on the China-Vietnam border. Habitat destruction has driven this species to the brink of extinction and FFI are working towards strengthening the effectiveness of the protected area in which the gibbons live. FFI continue to conduct population and ecological surveys of the gibbons and work to enact political and cultural change to increase legal protection for the gibbons. Twycross Zoo has previously supported community based patrols to monitor and protect the gibbons habitat and we continue to support programmes which engage members of local communities to raise awareness of the importance of Cao Vit gibbons and conserving the high biodiversity found within Vietnamese forests.

Wildlife Vets International (WVI) work to provide veterinary support to international wildlife and conservation projects. WVI works with in-country partners to develop capacity, provide mentorship and training to in-situ veterinary professionals, and to collect and disseminate information to advance education about the health and management of endangered populations. Twycross Zoo have previously supported the reintroduction programme for Amur leopards and the maintenance of the Wild Tiger Health Centre (WTHC), which provides a one stop online hub for vets and biologists working in population range countries. Twycross Zoo will continue to support a wide array of projects at WVI, but our focus will be to support the training of veterinary staff and biologists in range countries by providing specialist advice from our own expert veterinary team and provide funding for in-situ capacity building.

Association Européenne pour l'Etude et la Conservation des Lémuriens (AEECL) continue to secure the wild future of the blue-eyed black lemur (*Eulemur flavifrons*). The blue-eyed black lemur is exclusively found on the remote Sahamalaza peninsula. Classified as Critically Endangered by the IUCN Red List, the lemurs are under threat from the destruction of forest and illegal hunting and trapping, exact numbers are unknown. AEECL work with local communities and support education in the form of grants to secondary school students and those progressing to university and also

REPORT OF THE TRUSTEES (continued)

subsidise 78 community teachers. Twycross Zoo provides a membership fee to AEEL which supports this important conservation work alongside other zoos.

West African Primate Conservation Action (WAPCA) are working to protect one of the IUCN's 25 key biodiversity hotspots, which cover only 1.4% of the world's surface but are home to more than 60% of all animal and plant species found on this planet. WAPCA continue to adopt a one plan approach to primate conservation working to increase wild populations, whilst working both in-country and through EAZA collections to maintain healthy ex-situ populations. They have managed to restart trans-boundary patrols and collect data on primate presence and any illegal activity consistently this year. The Endangered Primate Breeding Centre continues to expand housing four groups (three breeding) of endangered white-naped mangabeys and one lone female, and one lone Critically Endangered Roloway male, a total of eighteen animals. Twycross Zoo provides a membership fee to WAPCA to fund their conservation activities alongside other zoos and conservation NGOS.

Stiftung Artenschutz are a foundation dedicated to protecting species within their natural habitat and Twycross Zoo has provided a small contribution to support their long term, yellow-cheeked crested gibbons (*Nomascus annamensis*) project. This project works in collaboration with other European zoos and Vietnamese NGOs to protect the habitat of this Endangered ape.

Education

Twycross Zoo has had an established conservation education programme for several decades which was severely disrupted due to the effects of COVID lockdowns. We have since relaunched and rebuilt our education provision to engage with all visitors, so they are able to gain an appreciation of the natural world, its diversity and challenges.

The Zoo's education delivery is based on informal and formal education. Informal public educational talks are delivered via a series of multiple daily talks focussing on a range of different species and conservation issues. In 2022, nearly 62,000 visitors attended these talks. Our formal sessions are delivered to schools, colleges and universities, ranging from Early Years, through the curriculum key stages up to Master's Level programmes.

In 2022, we began to redeliver our formal sessions. We have created a new series of workshops and tours based on the National Curriculum. We have also created a range of new opportunities for colleges and training providers with the introduction of initial teacher training workshops that show new teachers how to plan an out of classroom learning experience and how to embed conservation issues in lessons. We have also introduced new sessions for Level 3 animal management students and home educators.

There is a long-standing partnership between the University of Nottingham and the Twycross Zoo veterinary department of over ten years and the Zoo is heavily involved in the clinical training of final year veterinary students. Twycross Zoo hosts students that take the final year elective of Zoo, Wildlife and Exotic Animal Medicine. Veterinary students have the opportunity to apply methods used during their course in a practical setting, including collecting data and conducting animal welfare audits.

To complement the relationship with the University of Nottingham School of Veterinary Medicine and Science, Twycross Zoo also supports the veterinary nurse programme of Nottingham Trent University. Launched in 2018 this relationship continues to strengthen with Twycross Zoo providing clinical training and placements for veterinary nurse students.

Twycross Zoo is currently working with various Midlands based universities to develop new courses and experiences for students as part of the National Science and Conservation Centre (NSCC) development. These courses include both undergraduate and postgraduate opportunities and will start to be delivered over the next few years.

REPORT OF THE TRUSTEES (continued)

Another example of our university teaching partnerships is the Erasmus plus funded InterZoo partnership with the University of Wolverhampton. There are three university partners and three zoo partners from across Europe, bringing together expertise to develop a formal international post graduate professional qualification. As part of a two-year programme Twycross Zoo are leading the development of the International Management of Zoo based conservation alongside the University of Wolverhampton. As part of a hybrid event, Twycross Zoo presented the content of the conservation module alongside the University of Wolverhampton at a multiplier event in Budapest Zoo, Hungary. The audience included EAZA, WAZA, HE and Zoo representatives, and potential users of the course. We hosted a summer school in June 2022 to pilot the course content. This is a great opportunity for Twycross Zoo to lead the way in terms of providing continuous professional development across the zoo sector and could be a flagship programme of the National Science and Conservation Centre (NSCC) if the project is successful in securing future funding.

Research

In 2022 Twycross Zoo participated in 42 research projects across a wide range of scientific disciplines including veterinary science, conservation genetics, conservation science, ape cognition and animal behaviour and welfare. Of these projects, 6 were at Bachelor's degree level (2021: 9), 12 at the Master's level (2021: 13) and 16 at PhD level (2021: 14). Of the remaining projects, one was part of post-doctoral funded research project, one project was to support a Twycross Zoo employee achieve their DMZAA, and one was on internal study undertaken by our Ape Team. We supported five EEP/TAG endorsed projects as part of the European-wide collaboration and our commitment to best practice in conservation breeding programmes. Research at Twycross Zoo in 2022 has resulted in 10 scientific publications in peer reviewed journals (2021: 8) and one in the industry journal Zooaquaria, 11 conference presentations (2021: 2) and 11 poster presentations (2021: 2). Two of our PhD researchers also presented at the Pint of Science, Birmingham.

In December 2022 Twycross Zoo hosted the Primate Society of Great Britain's Winter Meeting, which was the first in-person conference of the Society since 2019. During the 1.5 days over 100 people attended the talks and viewed the poster presentations, including TZ staff. The Conference was made available to researchers in a range of countries via live online streaming. Our conservation partner from Belize, Wildtracks, also presented a pre-recorded talk and joined the conference online to answer questions.

A significant number of projects have been at the Masters Level and above, which increases the likelihood of further acknowledgements for Twycross Zoo in peer reviewed journal publications. We continue to encourage high quality impactful research by investing in collaborative PhD activity. Twycross Zoo is co-supervisor of three current PhD students, two launched in 2019 with the University of Leicester and University of Wolverhampton and the third launched in 2020 in collaboration with the University of Nottingham. The first focuses on conservation genetics to combat the illegal wildlife trade and includes ZSL as a co-collaborator. This project targets the Mongolian border a key IWT route aiming to improve species ID at borders and reduce testing time. The second on novel enrichment to improve the welfare and breeding success of captive primates, with three conference presentations in 2022, due to finish in 2023. The third investigates the link between vitamin D levels and ape heart health in collaboration with the University of Nottingham as part of the Ape Heart Project. The work for this was presented at a number of UK and international conferences including alongside our veterinary services manager, Phillipa Dobbs at the PSGB Conference and a poster presentation at the EAZA Annual Conference in Portugal. We continue to be a partner in the CENTA training alliance with Midlands Innovation Universities including University of Birmingham and Leicester. These are highly competitive National Environment Research Council (NERC) funded PhDs. We submitted two applications in 2022 for the 2023/2024 CENTA intake and expect to understand the outcomes in the first quarter of 2023 for PhDs to commence in October 2023. One was focused on the development of the University of Birmingham Enclosure Design Tool focused on the new orangutan habitat and developments to the gorilla enclosure and the second was on improving welfare for captive parrots.

REPORT OF THE TRUSTEES (continued)

Twycross Zoo continues to lead the Ape Heart Project for the benefit of apes in the European Association of Zoos and Aquaria (EAZA). The AHP continues to contribute internationally, leading research on the topic of ape heart health, publishing two peer-reviewed journal articles and eight conference presentations in 2022. The clinical lead representing the zoo is Phillipa Dobbs BSc (hons), BVetMed (hons), Cert AVP (ZM), MRCVS partnering with the University of Nottingham and the University of Birmingham supported by Dr Mike Martin, MVB, DVC, MRCVS; PhD student Philippa Bucknell, DVetMed, MRCVS; Professor Kate White MA VetMB DVA Dipl ECVA MRCVS; Clinical Associate Professor Kerstin Baiker Dr.med.vet, Dipl ECVP, MRCVS, SFHEA and Dr Melissa Grant, PhD, SFHEA. In 2022 we have added four new cardiologists to the AHP team, enabling us to widen the reach of the AHP by having the ability to travel to other zoos within the UK and Europe to perform a full echo and twelve lead ECG in line with our protocols, if an ape is being anaesthetised. Liz Hanson, UoN funded TZ Veterinary Nurse has also joined the AHP team and will liaise with collections regarding samples and support shipments and administration.

Twycross Zoo continues the collaboration with the University of St Andrews who are funding a position at Twycross Zoo to support research in the area of ape cognition across our four great ape species. Understanding how our apes perceive their environment can contribute to a better understanding of welfare and improved husbandry techniques, whilst providing cognitive enrichment for our apes. Our unique position of having all four great ape species and a significant primate collection can attract researchers from around the world and will do this as part of the National Science and Conservation Centre (NSCC). We are working with Nottingham, Trent University to replicate this agreement to offer bespoke research capacity to the NTU Psychology Department, led by Associate Professor Dr Annika Paukner and look forward to this exciting new relationship in 2023.

Our collaboration with our university partners also led to the successful delivery of the International Zoo Conservation and Management (InterZoo) Summer School in Parco Natura Viva, Italy. This was part of an Erasmus+ funded project to develop a new International Zoo Management and Conservation PG course. Twycross Zoo delivered the Conservation Module of the programme, and two of our keepers also participated in the Summer School as part of our internal capacity building framework. The work of the partnership was presented at the EAZA Annual Conference in Portugal. The partnership has submitted a further funding proposal to build on the InterZoo programme by developing a full Masters level programme and widening the European partnership, a project we hope to commence in 2023.

Twycross Zoo is committed to driving research to help achieve our conservation and organisational goals. These include studies that will enhance welfare or husbandry practices for our animals or help optimise conservation education/visitor engagement. We will also engage university partners in projects focused on helping us achieve our sustainability objectives and assessing native species at the Twycross Zoo Nature Reserve and within the wider zoo site.

REPORT OF THE TRUSTEES (continued)

Financial

See also Financial Review Section

Following careful cash management during the Covid-19 pandemic, management were able to continue to work on our newest visitor attraction, the Gruffalo Discovery Land, which was successfully launched in time for Easter 2022. Against a challenging economic backdrop the Zoo was able to return to strong visitor numbers for the year of 571k, surpassing 2021 (421k), and while visitor numbers did not match pre-pandemic levels, strong visitor yield resulted in a higher overall income.

As a result of improved trading the Zoo has begun the process of strengthening its team, investing in the education, conservation and research teams during the year. Net profit levels have been impacted by increased levels of depreciation caused by the capitalisation of the assets associated with the Gruffalo Discovery Land. Expenditure has increased in the year through investment in staff costs and additional marketing around the Gruffalo Discovery Land but has largely been matched by rising income levels and overall results in an EBITDA of £1.1m which was only slightly less than the previous year (2021: £1.3m). The Zoo continued to access Government support through Covid Business Interruption Loans and the Covid Job Retention Scheme, with over £38k (2021: over £190k) of government support received.

Overall, income including Government Support was £13.8m (2021: £10.6m). The net deficit is £1,124k (2021: deficit of £285k). The Total Funds decreased in the year by £978k (2021: increase of £2,988k) to £25.5m (2021: £26.5m).

PUBLIC BENEFIT

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charity Commission, including its supplementary guidance on fee charging.

The launch of Twycross Zoo's 2030 vision at the House of Lords in October 2019, reinforced Twycross Zoo's commitment to the conservation and sustainability of our planet that we share with other animals. The initiatives to reduce waste on the Zoo site started in 2019 continued to focus on reducing plastic waste and conserving other natural resources.

The programme of engagement with international conservation projects was significantly reduced by the financial and travel limitations imposed by the Covid pandemic restrictions, but Zoo staff continued to raise awareness of the plight of endangered species through various communication channels.

As described under the Conservation header above, the Zoo continues to provide financial support to a number of conservation and welfare partners around the world. This financial support has helped to reduce the financial impact of the pandemic on those partner organisations.

Internal Operations

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited whose activities include the management of retail shops, cafeterias and conference facilities within the Himalaya building as well as additional retail and cafeterias facilities around the Zoo. The aim of the subsidiary is to generate funds to donate to the financial viability of the charity. The subsidiary company pays rent to the charity in respect of the buildings and assets utilised by the shops and cafeterias.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

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REPORT OF THE TRUSTEES (continued)

The Retail Strategy continued to deliver a sound retail product offer. Increased visitor numbers compared to 2021 drove an increase in revenue while both retail and catering saw improvements in revenue yield per visitor. Gross margins were reduced slightly as the company attempted to hold its prices on key items despite inflationary pressures on costs. Catering is delivered in partnership with a catering specialist. The collaborative approach with our catering partner has allowed us to respond to the business conditions and prepare for reopening to ensure we were able to recover from the long periods of closure quickly and efficiently. Retail and Catering turnover totalled £4,386k (2021:£3,119k) and profit £723k (2021: £898k)

Key Performance Indicators

Key Performance Indicators are set to monitor and measure progress and achievements throughout the year. The Zoo's executive team monitors and reviews on a regular basis the charity's key performance indicators against budget and prior year performance which include: -

- Admissions Revenue
- EBITDA
- Retail spend
- Catering spend
- Total visitors
- Education visits
- Memberships

Regular monitoring of the KPI's ensured the Zoo was able to achieve its financial, education and charitable objectives throughout the year.

FINANCIAL REVIEW

The annual Financial Statements for the year to 31 December 2022 are set out at pages 24 to 51. The Trustees' financial objectives are to make a surplus each year. In 2022, a deficit was made of £(1,124k) (2021: deficit of £(285k)).

Capital Expenditure

Capital investment in the Zoo's habitat and visitor experience is a strategic priority of the Trustees. Fixed asset additions were £2,510k (2021: £4,359k) with a focus on completing the Gruffalo Discovery Land ahead of its opening in early 2022. No major habitat developments were undertaken, although some minor improvements were performed on existing facilities.

Income and Expenditure

Admissions and related income was £9.3m (2021: £6.9m) an increase of 35% (2021: increase 7%) reflecting a strong summer following reopening. Donations and Legacies received were £75k (2021: £323k) and Government Business Support Grants were £38k (2021: £190k). Retail and catering income increased 41% to £4,386k (2021: £3,119k) primarily linked to increased visitor numbers but also reflecting a modest uplift in yield particularly for catering.

Total Expenditure increased to £14.9m (2021: £10.8m). As a result of returning to increased levels of trading, the Zoo has started to invest in its support teams which were scaled back during the COVID-19 pandemic, and has also recommenced some key repairs and maintenance work around the customer facing site to enhance the customer journey. Marketing was also increased, particularly around the opening of the Gruffalo Discovery Land and then the Summer holidays, which resulted in increased visitor numbers and therefore revenue.

REPORT OF THE TRUSTEES (continued)

In the prior year, the zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31 December 2021. This resulted in a net increase in value of £3,240k which has been credited to the revaluation reserve in the accounts. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of the zoo's land and buildings owned by Twycross Zoo.

Visitor Numbers

Visitor numbers of 571k showed a significant increase (36%) over the 421k in 2021 but remain below 2019 levels. This reduction against pre pandemic levels is at least in part driven by a changing in pricing strategies during the period which have increased yields and ultimately income.

Zoo Park (Twycross) Limited

The Zoo's trading subsidiary, Zoo Park (Twycross) Limited provides retail and catering facilities across the site reported a turnover of £4.4m (2021: £3.2m). The surplus of £723k (2021: £898k) was 20% less than 2021 and is included in the Group surplus.

Going Concern

The Group has net current assets of £1,391k (2021: £3,399k). In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of December 2024, representing more than 12 months from the date of signing the accounts. The base case projections are based upon a reforecast of the budget for 2023 and 2024 which have been approved by the Board of Trustees.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience following the change in pricing and marketing strategies in Summer 2023 with yields continuing to improve on 2022 levels.
- ▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) is bound.

Due to a challenging start to 2023, the Group breached one of its banking covenants in the first two quarters of 2023. Whilst the bank has reserved its rights under the existing agreements to call the loan, following the accounting implications of the new annual ticket the Group's banking partner has agreed to reset the profitability based covenant such that it is next tested for the quarter ended 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant however has been increased to account for higher Bank of England base rates and the Group has committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control. The changes are a further demonstration of the banks continued support for the Group.

REPORT OF THE TRUSTEES (continued)

Based on budgets for the period to December 2024, all covenants are met and no further breaches are forecast.

However, as a result of the continued cost of living crisis there continues to be increased uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which can be flexed accordingly and, as was demonstrated during 2020 and 2021 there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that standard visitor number reductions of 5.4% can be borne without breaching the Group's covenants during the going concern assessment period. As part of the ordinary running of the business, a number of semi variable costs can be flexed and capital spend can be reduced in response to any downturn in visitor numbers to mitigate the impact of an income fall and allow for a 7.3% fall in visitor numbers, before considering further cost reduction actions in a more stressed situation. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end December 2024.

In addition, the Trustees acknowledge a second material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern as our banking partner has not waived their rights associated with the covenant breaches at March and June 2023 with the worst case being the bank recall the loans with the Group having insufficient liquidity to settle the debt on demand. However, given the bank have chosen to take no adverse action to this point and have taken positive actions in altering the covenant testing for the next 12 months to accommodate the impact of the new annual tickets the Directors' have seen this as an indication they have no intention of taking further action unless there was specific reason to do so.

The Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

PLANS FOR THE FUTURE

The Zoo's master plan was implemented in 2015 but was interrupted by the impact of the Covid pandemic. The master plan resumed during 2021 with a focus on improved visitor facilities, most notably the Gruffalo Discovery Land, aimed at increasing the number of young visitors. The master plan also incorporated new animal exhibits and a vibrant zoological arena. Planned developments as well as The Gruffalo Discovery Land, which was completed in early 2022, will raise the profile of the Zoo as a major contributor to animal conservation, the advancement of scientific research and a major regional tourist attraction. Following a change in the Executive team both during and subsequent to the year, the long term master plan is under review to ensure that it remains both achievable and relevant in the current climate.

Design and planning work is now well underway on the development of the National Science and Conservation Centre following a successful bid for Government levelling up funding which is due for completion in 2025.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

REPORT OF THE TRUSTEES (continued)

RISK MANAGEMENT

The Zoo has a formal risk management strategy in place to assess business risks across the organisation. The Zoo continually reviews the major risks that it faces and has developed systems to monitor and control these risks to mitigate any impact they may have on the Zoo in the future.

The principal risks and uncertainties facing the Zoo's ongoing success are:

Risk Description	Impact / Consequence	Mitigation
Downturn in the UK and / or global economy adversely affecting the UK tourist and leisure industry	<ul style="list-style-type: none"> Visitor number reduction Loss of revenue Lack of financing facilities Unable to invest in the Zoo's development programme Unable to maintain the current Zoo site Unable to maintain animal collection Lose core staff 	<ul style="list-style-type: none"> Ensure as many costs as possible can be flexed with visitor numbers Engage with a strong targeted marketing campaign Exploit the drive time markets Keep the Zoo exhibits refreshed Provide "Value added" for the ticket price
The Zoo does not retain its Zoo licence	<ul style="list-style-type: none"> Zoo closure is enforced 	<ul style="list-style-type: none"> Maintain required standards as dictated by the Zoo Licensing Act Carryout regular desktop compliance reviews Carryout regular training
There are insufficient cash funds available to cash flow the Zoo's business plan	<ul style="list-style-type: none"> The Zoo could be declared bankrupt by unpaid creditors 	<ul style="list-style-type: none"> Maintain an adequate set level of working capital. Cash reserves forecasts are set aside to enable cash flow management. Carryout regular cash forecasting of available cash to determine adequate levels.
Cash covenants are breached	<ul style="list-style-type: none"> Reputational damage with funders Not able to deliver the Zoo Development plan impacting negatively on visitor revenue 	<ul style="list-style-type: none"> Regular reviews of covenants carried out and reported to Board and Committee Regular reviews of cash forecasting reported to Committee Regular Debt reviews carried out Profit protection plan monitored Maintain strong working relationships with key banking partner with open lines of communication
Breach of Health & Safety statutory regulations	<ul style="list-style-type: none"> The Zoo licence is revoked by the Local Authority Investigation and prosecution by Health & Safety Executive The Zoo incurs criminal charges and financial penalties 	<ul style="list-style-type: none"> Contract with a "Critical" partner to provide compliance assurance Ensure adequate H&S policies in place which are implemented Regular and appropriate H&S training for staff
IT infrastructure is not adequate to support the business operation	<ul style="list-style-type: none"> There is a breakdown of IT equipment due to age and / or inadequacy of the equipment Breach of IT security of the data held and / or loss of data Loss of revenue Reputational damage 	<ul style="list-style-type: none"> Ensure sound and capable IT infrastructure and support Utilise in-house and outsourced solutions for growth and delivery Long term planning to replace / upgrade solutions Take timely and regular system back-ups / replications appropriate to the data and operation Policy for data storage which is adhered to including an "off-site" option, Frequent "patching" with "provider issued" patching to guard against unauthorised access Develop "resilience" into the system to ensure business continuity. Carryout annual scoping exercises to ensure current IT infrastructure is adequate
Board Members and Exec (Strategic Team) will not have sufficient skill or experience to manage the organisation's affairs.	<ul style="list-style-type: none"> Decisions made which are not thought through with high quality rigor damage the organisation's sustainability and reputation. 	<ul style="list-style-type: none"> Review Board skill sets annually to ensure appropriateness and fit to strategic objectives Carryout regular Board training in key strategic areas Ensure regular governance updates Ensure Strategic team have at least an annual strategy day to review and develop strategic plans and direction

REPORT OF THE TRUSTEES (continued)

RELATIONSHIPS WITH OTHER CHARITABLE BODIES

The Trust maintains active links and co-operates with other Zoos and animal welfare bodies throughout the world in the furtherance of the Charity's aims and objectives. These include BIAZA (British and Irish Association of Zoos and Aquariums), EAZA (European Association of Zoos and Aquaria), WAZA (World Association of Zoos and Aquariums), IUCN (International Union for Conservation of Nature) and CPSG (Conservation Planning Specialist Group).

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted spending expenditure. The Trustees consider that this level has been met and will provide sufficient funds to respond to short term funding requirements and to ensure that support costs are covered. This aim has been maintained throughout the year.

The balance held as unrestricted funds at 31 December 2022 was £22.4m (2021: £23.7m), of which £1.2m (2021: £1.2m) are regarded as free non-designated reserves, after allowing for funds designated for fixed assets and conservation welfare and the revaluation reserve. Restricted reserves were £3.0m (2021: £2.7m), the increase relating primarily to Levelling Up Funds received in relation to the National Science and Conservation Centre.

It is acknowledged by the organisation that it needs to maintain cash reserves that cover operating costs for a minimum of 3 months, estimated at £1.5m. Cash and bank reserves at 31 December 2022 were £2.5m (2021: £4.9m). The current level of reserves is therefore above the value needed.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as company directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report including the Strategic Report was approved on behalf of the board by:



Rt Hon G W Hoon
Chairman
11th December 2023

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Twycross Zoo-East Midlands Zoological Society Limited for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

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

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies in accordance Section 10 of FRS 102 and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Trustees are also responsible for preparing a Trustees' report, that complies with that law and those regulations. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED

Opinion

We have audited the financial statements of Twycross Zoo – East Midlands Zoological Society Limited (the 'parent company' or the 'charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activity, the consolidated group and company balance sheet, the consolidated statement of cashflows and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable group and of the parent company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the going concern section of the accounting policies in the financial statements, which indicates two material uncertainties exist. The first of these being that the bank has not waived its rights in respect of breaches of debt covenants in March and June 2023. Secondly, the ongoing sensitivity of the headroom within the forecasts in respect of a decrease to expected visitor numbers or lower average profit per visitor may cast significant doubt on the entity's ability to continue as a going concern. As stated in the accounting policies, these events or conditions, along with the other matters as set forth in the accounting policies, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's and group's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group and the charitable 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 management either intends to liquidate the group or the charitable company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (Continued)

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (Charities SORP, FRS 102 and the Companies Act 2006).
- We understood how the group is complying with those frameworks by making enquiries of management, including those charged with governance, to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of board minutes.
- We assessed the susceptibility of the group and charitable company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management, including those charged with governance. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override in relation to the posting of non-standard manual journals in respect of revenue and identified specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with the Charities SORP, FRS 102 and, where appropriate, Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS
ZOOLOGICAL SOCIETY LIMITED (Continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

**Lorna McNeil (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham**

12 December 2023

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ended 31 December 2022

	Notes	2022			2021
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
INCOMING RESOURCES					
FROM GENERATED FUNDS					
Voluntary					
Donations & Gifts	2	75	-	-	75
CHARITABLE ACTIVITIES					
Life Science, Education and Conservation Welfare	3	8,898	411	-	9,309
Activities For Generating Funds					
Retail & Catering	4	4,386	-	-	4,386
Government Business					
Support Grants		38	-	-	38
Interest Received		4	-	-	4
TOTAL INCOMING RESOURCES		13,401	411	-	13,812
RESOURCES EXPENDED					
COST OF GENERATING FUNDS					
Retail & Catering	4/5	(3,120)	-	-	(3,120)
CHARITABLE ACTIVITY					
Life Science, Education and Conservation Welfare	5	(11,655)	(99)	-	(11,754)
GOVERNANCE COSTS		(62)	-	-	(62)
TOTAL RESOURCES EXPENDED		(14,837)	(99)	-	(14,936)
NET (OUTGOING)/INCOMING RESOURCES		(1,436)	312	-	(1,124)
OTHER RECOGNISED GAINS					
Actuarial gain on revaluation of pension liability		146	-	-	146
Gain on revaluation of fixed assets	12	-	-	-	-
NET MOVEMENT IN FUNDS		(1,290)	312	-	(978)
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	18/19	23,679	2,726	100	26,505
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	18/19	22,389	3,038	100	25,527

Income and net income for the year arise from the Group's continuing operations. No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Consolidated Statement of Financial Activities.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

CONSOLIDATED GROUP AND COMPANY BALANCE SHEET

As at 31 December 2022

	Notes	Group		Company	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
FIXED ASSETS					
Intangible Assets	11	30	25	30	25
Tangible Assets	12	34,726	33,979	34,726	33,979
Investments	13	-	-	73	73
		<u>34,756</u>	<u>34,004</u>	<u>34,829</u>	<u>34,077</u>
CURRENT ASSETS					
Stocks	14	322	135	4	-
Debtors	15	515	317	1,078	408
Cash at Bank & In Hand		2,462	4,894	1,615	4,192
		<u>3,299</u>	<u>5,346</u>	<u>2,697</u>	<u>4,600</u>
CREDITORS: Amounts falling due within one year	16	(1,908)	(1,947)	(1,833)	(1,728)
		<u>1,391</u>	<u>3,399</u>	<u>864</u>	<u>2,872</u>
NET CURRENT ASSETS					
		<u>36,147</u>	<u>37,403</u>	<u>35,693</u>	<u>36,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts falling due after more than one year	17	(10,367)	(10,898)	(10,367)	(10,898)
Pension Creditor	25	(253)	-	(253)	-
	17	<u>(10,620)</u>	<u>(10,898)</u>	<u>(10,620)</u>	<u>(10,898)</u>
		<u>25,527</u>	<u>26,505</u>	<u>25,073</u>	<u>26,051</u>
NET ASSETS					
FUNDS					
Endowment Fund	18	100	100	100	100
Restricted Funds	18	3,038	2,726	3,038	2,726
UNRESTRICTED FUNDS					
Designated	18	16,498	17,441	16,498	17,441
Other	18	1,204	1,204	750	750
Revaluation Reserve	18	4,687	5,034	4,687	5,034
	19	<u>25,527</u>	<u>26,505</u>	<u>25,073</u>	<u>26,051</u>

The financial statements on pages 24 to 51 have been approved by the board and authorised for issue on 11th December 2023 and are signed on its behalf by:

Rt Hon G W Hoon – Chairman



Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
CASHFLOWS FROM OPERATING ACTIVITIES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	22	855	1,423
		<u>855</u>	<u>1,423</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid to acquire intangible and tangible fixed assets		(2,535)	(4,364)
		<u>(2,535)</u>	<u>(4,364)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflows from new bank borrowings		-	4,300
Interest paid		(468)	-
Repayments of bank borrowings and repayment of principal amounts of finance leases and capital creditors		(284)	(3,198)
NET CASH PROVIDED (USED IN)/BY FINANCING ACTIVITIES		<u>(752)</u>	<u>1,102</u>
Decrease in cash and cash equivalents	22	(2,432)	(1,839)
Cash and cash equivalents at 1 st January		4,894	6,733
CASH AND CASH EQUIVALENTS AT THE 31st DECEMBER	22	<u>2,462</u>	<u>4,894</u>

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Twycross Zoo – East Midland Zoological Society Limited is a charitable company and a public benefit entity. Therefore, other than the revaluation of the zoo's land and buildings, the financial statements have been prepared under the historical cost accounting rules. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes and are in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent company has not been separately presented in the financial statements. The financial statements are presented in thousands (£).

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking on a line by line basis using acquisition accounting, eliminating intercompany balances and transactions. The financial statements are presented in the form of Group financial statements.

GOING CONCERN

The Group has net current assets of £1,391k (2021: £3,399k). In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of December 2024, representing more than 12 months from the date of signing the accounts. The base case projections are based upon a reforecast of the budget for 2023 and 2024 which have been approved by the Board of Trustees.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience following the change in pricing and marketing strategies in Summer 2023 with yields continuing to improve on 2022 levels.
- ▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) is bound.

Due to a challenging start to 2023, the Group breached one of its banking covenants in the first two quarters of 2023. Whilst the bank has reserved its rights under the existing agreements to call the loan, following the accounting implications of the new annual ticket the Group's banking partner has agreed to reset the profitability based covenant such that it is next tested for the quarter ended 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant however has been increased to account for higher Bank of England base rates and the Group has committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control. The changes are a further demonstration of the banks continued support for the Group.

ACCOUNTING POLICIES (continued)

Based on budgets for the period to December 2024, all covenants are met and no further breaches are forecast.

However, as a result of the continued cost of living crisis there continues to be increased uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which can be flexed accordingly and, as was demonstrated during 2020 and 2021 there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that standard visitor number reductions of 5.4% can be borne without breaching the Group's covenants during the going concern assessment period. As part of the ordinary running of the business, a number of semi variable costs can be flexed and capital spend can be reduced in response to any downturn in visitor numbers to mitigate the impact of an income fall and allow for a 7.3% fall in visitor numbers, before considering further cost reduction actions in a more stressed situation. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end December 2024.

In addition, the Trustees acknowledge a second material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern as our banking partner has not waived their rights associated with the covenant breaches at March and June 2023 with the worst case being the bank recall the loans with the Group having insufficient liquidity to settle the debt on demand. However, given the bank have chosen to take no adverse action to this point and have taken positive actions in altering the covenant testing for the next 12 months to accommodate the impact of the new annual tickets the Directors' have seen this as an indication they have no intention of taking further action unless there was specific reason to do so.

The Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

INCOME

Income is recognised when the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Income from government and other grants, including financial support through Coronavirus Business Interruption Loans and the Coronavirus Job Retention Scheme, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from gate admissions is recognised at point of entry. Income from the sale of annual passes is deferred and recognised evenly over the period that the pass is valid. Income from legacies is recognised at the point of receipt.

ACCOUNTING POLICIES (continued)

DONATED SERVICES AND FACILITIES

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis net of value added tax.

Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in the trading activities of the retail and catering functions.
- Expenditure on charitable activities includes costs associated with animals, education and conservation and includes both the direct costs and support costs relating to these activities.
- Support costs include central functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Zoo's activities. Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at historical cost less accumulated amortisation.

Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets over their estimated useful lives as follows:

IT software- 10% - 33% per annum

TANGIBLE FIXED ASSETS AND DEPRECIATION

The zoo's land and buildings has been revalued at adjusted depreciation replacement cost as at 31st December 2021, excluding assets under construction. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net difference between the written down value and the revaluation as each point in time has been recorded within the revaluation reserve. The difference between the depreciation based on the revalued carrying value and the depreciation based on the original cost is released from the revaluation reserve to other unrestricted funds each year. All other fixed assets are held at historical cost.

ACCOUNTING POLICIES (continued)

Depreciation of fixed assets are charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost. Assets in the course of construction are disclosed separately at a value equal to costs incurred to date. Once completed, they are reclassified and depreciated using the Group's depreciation policy below. No residual values are typically considered.

Zoo's freehold land and buildings revalued as at 31/12/2021	Variable dependant on component's life
Tools, plant and equipment	-10% - 20% per annum
Furniture and equipment	-10% - 25% per annum
Motor vehicle	-10% - 20% per annum
IT equipment	-10% - 25% per annum

Assets in the course of construction are transferred to the relevant asset category on the date of completion and depreciated from that date.

IMPAIRMENT

The carrying amounts of assets are reassessed when impairment indicators are present. An impairment loss would be recognised to the extent the carrying amount of an asset exceeds its estimated recoverable amount. The estimated recoverable amount is reviewed at subsequent balance sheet dates where further information is available.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less costs of disposals.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ZOO ANIMALS

Most of the Zoo's animals are part of international breeding programmes and are "on loan" and as such, are not owned by Twycross Zoo. No valuation is made of the animal collection at the end of each year. Where appropriate, purchases and sales appear in the financial statements as revenue items in the year in which they arise.

ACCOUNTING POLICIES (continued)

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the Statement of Financial Activities (SOFA) based upon the effective interest method.

TAXATION

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Its trading company usually donates the whole of its taxable profits to the Society each year, and tax relief is granted on the transfer if it is completed in compliance with current tax legislation.

RETIREMENT BENEFITS

The Charity runs a stakeholder pension scheme. The amount charged in respect of pension costs is the employer's contributions payable for the year. The pension scheme is a defined contribution scheme.

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

INVESTMENTS

Investments in the Company's' accounts relate to holdings in its subsidiary and are carried at cost.

RECOGNITION OF LIABILITIES

Liabilities are recognised when there is a legal or constructive obligation.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

The zoo's land and buildings are revalued at adjusted depreciation replacement cost which relies upon estimates around both the value of land in the current market as well as estimates around cost to replace the building assets held. These valuations are based on valuations performed by an independent valuation expert and ultimately approved by the Trustees.

As all tangible fixed assets are carried at either cost less depreciation or revaluation less depreciation, there is also a critical estimate associated with the useful economic lives associated with those assets. The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives, such as changes in technology. The useful lives will also depend on the future performance of the assets as well as management's judgement of the period over which economic benefits will be derived from the assets.

The defined benefit obligation is accounted for using a method that relies on actuarial assumptions to estimate the liability for inclusion in the financial statements. These actuarial assumptions include discount rates, inflation rate and mortality rates.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

Notes to the Accounts

1. COMPARATIVE SOFA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ending 31 December 2021

	2021			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
INCOMING RESOURCES				
FROM GENERATED FUNDS				
Voluntary				
Donations & Gifts	323	-	-	323
CHARITABLE ACTIVITIES				
Life Science, Education and Conservation Welfare	6,873	11	-	6,884
Activities For Generating Funds				
Retail & Catering	3,119	-	-	3,119
Government Business Support Grants	190	-	-	190
Investment Income	7	-	-	7
TOTAL INCOMING RESOURCES	10,512	11	-	10,523
RESOURCES EXPENDED				
COST OF GENERATING FUNDS				
Retail & Catering	(1,929)	-	-	(1,929)
CHARITABLE ACTIVITY				
Life Science, Education and Conservation Welfare	(8,725)	(102)	-	(8,827)
GOVERNANCE COSTS	(52)	-	-	(52)
TOTAL RESOURCES EXPENDED	(10,706)	(102)	-	(10,808)
NET INCOMING/(OUTGOING) RESOURCES	(194)	(91)	-	(285)
Other recognised gains and losses				
Actuarial loss on revaluation of pension liability	34	-	-	34
Gain on revaluation of fixed assets	3,239	-	-	3,239
NET MOVEMENT IN FUNDS	3,079	(91)	-	2,988
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	20,600	2,817	100	23,517
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	23,679	2,726	100	26,505

Notes to the Accounts (continued)

2. DONATIONS AND LEGACIES

	2022 £'000	2021 £'000
Donations & Gifts	29	300
Legacies	46	23
	<u>75</u>	<u>323</u>

3. CHARITABLE ACTIVITIES

Life Science, Education and Conservation Welfare

	2022 £'000	2021 £'000
Unrestricted Income		
Gate Admissions and Donations	7,596	5,660
Gift Aid	241	427
Membership and adoptions	640	601
Educational visits	14	-
Other Income	407	185
	<u>8,898</u>	<u>6,873</u>
Restricted Income		
Research and Conservation Grants	411	11
	<u>9,309</u>	<u>6,884</u>

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Notes to the Accounts (continued)

4. RETAIL AND CATERING

	Notes	2022 £'000	2021 £'000
Turnover		4,386	3,168
Cost of Sales		(2,674)	(1,730)
		<hr/>	<hr/>
Gross Profit		1,712	1,438
Administrative Expenses		(989)	(540)
		<hr/>	<hr/>
Net Profit		723	898
Reconciliation to SOFA			
Cost of sales		2,674	1,730
Administrative Expenses		989	540
		<hr/>	<hr/>
		3,663	2,270
Less rent payable to parent		(527)	(324)
Less auditors remuneration analysed as governance costs		(16)	(17)
Less other costs recharged		-	-
		<hr/>	<hr/>
		<u>3,120</u>	<u>1,929</u>

Turnover includes government support grants of Nil (2021 : £49k).

Notes to the Accounts (continued)

5. ANALYSIS OF TOTAL EXPENDITURE

	Retail & Catering Costs	Life Science, education and conservation welfare costs	2022 Total Costs	2021 Total Costs
				£'000
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Life Science	-	649	649	504
Building Expenses	-	2,154	2,154	1,824
Retail & Catering	2,674	-	2,674	1,730
Advertising & Publicity	-	1,347	1,347	691
Legal & Professional	1	432	433	191
	<u>2,675</u>	<u>4,582</u>	<u>7,257</u>	<u>4,940</u>
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Staff Costs	425	3,231	3,656	2,720
Office Expenses	20	1,178	1,198	805
Irrecoverable Vat	-	493	493	713
Depreciation & amortisation	-	1,783	1,783	1,210
Finance Costs	-	487	487	368
	<u>445</u>	<u>7,172</u>	<u>7,617</u>	<u>5,816</u>
2022 Totals	<u>3,120</u>	<u>11,754</u>	<u>14,874</u>	<u>10,756</u>
2021 Totals	<u>1,929</u>	<u>8,827</u>	<u>10,756</u>	

Notes to the Accounts (continued)

6. NET INCOME

	2022 £'000	2021 £'000
Net income is stated after charging:		
Operating lease rentals		
- plant and machinery	42	46
Auditors' remuneration		
- for audit services	54	47
- for non-audit services – tax advice	5	11
Depreciation of tangible fixed assets		
-leased assets	14	14
-owned assets	1,749	1,136
Amortisation of intangible assets	20	61
Cost of stock recognised as an expense	<u>831</u>	<u>540</u>

Operating leases included in the above are all short-term, low value leases as such lease commitments are not presented in note 21.

7. INTEREST EXPENDITURE

	2022 £'000	2021 £'000
Interest on bank loans and overdrafts	437	320
Other bank, interest and finance lease charges	43	43
Pension net interest expense (note 25)	<u>7</u>	<u>5</u>
	<u>487</u>	<u>368</u>

Notes to the Accounts (continued)

8. TAXATION

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax on profits of period	-	-
Factors affecting tax charge for the period	-	-
<p>The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.</p>		
Profit on ordinary activities of Zoo Park (Twycross) Ltd	723	898
Tax at 19% (2021: 19%) on profit	137	171
Exempt under gift aid	(137)	(171)
	<u>-</u>	<u>-</u>
Corporation Tax	<u>-</u>	<u>-</u>

Factors affecting tax charges in future years

Following on from the Budget in March 2021 the tax rate is to rise to 25% from 1 April 2023. As the Company has no deferred tax balances there is not expected to be any impact of this change on the balance sheet.

Notes to the Accounts (continued)

9. DIRECTORS AND EMPLOYEES

DIRECTORS AND EMPLOYEES

Group staff costs:	2022 £'000	2021 £'000
Wages and salaries	3,297	2,360
Social security costs	273	181
Pension costs	129	102
	<u>3,699</u>	<u>2,643</u>

Higher paid employees

Salary Range	2022	2021
£200,000 - £210,000	1	-
£140,999 - £150,000	1	-
£130,000 - £139,999	-	1
£100,000 - £109,000	-	1
£70,000 - £79,999	2	-
£60,000 - £69,999	2	-

Highest paid employee includes gross pay of £88k, plus payments for loss of office of £119k.

Pension and National Insurance Contributions of £124k (2021: £42k) were paid in respect of all higher paid employees, of which £59k relates to the highest paid employee.

Average monthly number of employees, based on headcount, including directors.

	2022 No.	2021 No.
Average monthly number of employees, based on head count including directors:-		
Education	5	6
Resources	21	14
Visitor services	56	33
Retail	31	16
Keepers	52	51
Vets	4	3
	<u>169</u>	<u>123</u>

Notes to the Accounts (continued)

10. TRUSTEES

Ordinarily all Trustees give their time freely, with the exception of out of pocket expenses. However, in the current year David Meek received £4,900 for services over and above his normal Trustee duties before progressing to an executive role and taking over as interim CEO. Helen Mitchell also received £700 for one off services over and above her normal Trustee duties. No further remuneration was paid to the Trustees, and none are accruing benefits under pension schemes (2021: £nil)

During the year, six (2021: five) Trustees were reimbursed expenses of £2,567 (2021: £1,675), relating to travel and accommodation costs.

The key management personnel of the group comprise those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including pension and employer's national insurance contributions amounted to £806k (2021: £329k).

11. INTANGIBLE ASSETS	IT Software £'000	Total £'000
Cost		
1st January 2022	123	123
Additions	25	25
31st December 2022	<u>148</u>	<u>148</u>
Amortisation		
1st January 2022	98	98
Charge for the year	20	20
31st December 2022	<u>118</u>	<u>118</u>
Net Book Value		
31st December 2022	<u>30</u>	<u>30</u>
31st December 2021	<u>25</u>	<u>25</u>

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Notes to the Accounts (continued)

12. TANGIBLE FIXED ASSETS

Cost	Freehold						Assets Under Construction £'000	Total £'000
	Land & Buildings £'000	Tools, Plant & Equipment £'000	Furniture & Equipment £'000	Motor Vehicles £'000	IT Equipment £'000			
1st January 2022	29,159	942	1,499	24	497	3,846	35,967	
Additions	496	23	142	-	115	1,734	2,510	
Transfers	3,454	(85)	1,483	-	277	(5,129)	-	
31st December 2022	33,109	880	3,124	24	889	451	38,477	
Depreciation								
1st January 2022	-	648	902	24	414	-	1,988	
Charge for the year	1,292	43	228	-	200	-	1,763	
31st December 2022	1,292	691	1,130	24	614	-	3,751	
31st December 2022	31,817	189	1,994	-	275	451	34,726	
31st December 2021	29,159	294	597	-	83	3,846	33,979	

The net book value of tools, plant and equipment includes assets held under finance leases costing £144k (2021: £144k) which incurred depreciation during the year ended 31 December 2022 of £14k (2021: £14k). The zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31 December 2021. Some assets previously capitalised as Land and Buildings are now being used as part of The Gruffalo Discovery Land. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net book value of freehold land and buildings includes £1,624k (2021: £1,659k) relating to the Tiger enclosure asset which incurred depreciation of £32k during the year ended 31 December 2022 (2021: £32k).

Metro Bank Plc have a debenture against all assets of the business, which includes a first legal charge over the property at the zoo site. Wates Property Services Limited have a debenture specifically against the tiger enclosure asset for £886k (2021: £1,008k). The Metro Bank Plc debenture takes precedence over this.

Notes to the Accounts (continued)

13. INVESTMENTS

COMPANY	2022 £'000	2021 £'000
Investment in Subsidiary Company	73	73

The company owns 9,600 £1 ordinary shares in Zoo Park (Twycross) Limited ("Zoo Park") (company number 709915) being the whole of the issued share capital of that company. Zoo Park (Twycross) Limited is incorporated in, and operates in, the United Kingdom, its registered office being the same as the parent company. Its principal activity is the provision of catering and leisure services.

Zoo Park's turnover for the year is £4,386k (2021: £3,168k) and its expenditure is £3,663k (2021: £2,270k).

The Trustees consider that the underlying value of its investment in the subsidiary company is not materially different to its cost of £73k.

The subsidiary company has a payable of £248k (2021: £298k), under gift aid to the parent company.

The subsidiary company's retained profit for the financial year is £nil (2021: £nil) and its capital and reserves at 31 December 2022 are £527k (2021: £527k).

14. STOCKS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Giftshop & Guides	318	135	-	-
Spares for Operations	4	-	4	-
	<u>322</u>	<u>135</u>	<u>4</u>	<u>-</u>

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Notes to the Accounts (continued)

15. DEBTORS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts owed by subsidiary	-	-	663	203
Trade debtors	56	5	55	5
Other debtors	208	116	109	4
Prepayments & accrued income	251	196	251	196
	<u>515</u>	<u>317</u>	<u>1,078</u>	<u>408</u>

Included within other debtors are VAT receivables of £99k (2021: £19k).

16. CREDITORS: Amounts falling due in less than one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
CBIL loan	78	-	78	-
Bank loans	158	281	158	281
Finance leases	29	28	29	28
Trade creditors	303	354	298	263
Other taxation & social security	68	43	68	43
Accruals & deferred income	1,146	1,119	1,076	991
Capital creditor	126	122	126	122
	<u>1,908</u>	<u>1,947</u>	<u>1,833</u>	<u>1,728</u>

Included within tax and social security are pension contributions of £1k (2021: £12k). Included within accruals is deferred income relating to the sales of annual membership passes. Due to Covid, annual membership passes were extended for a period equivalent to the closure of the zoo. The value of memberships included in income earned from charitable activities during the current year is £640k (2021: £601k) and the amount deferred is £461k (2021: £325K).

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Notes to the Accounts (continued)

17. CREDITORS: Amounts falling due in more than one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
CBIL LOAN	4,221	4,300	4,221	4,300
Pension Creditor	-	392	-	392
Finance Lease Obligations	8	37	8	37
Bank Loans	5,378	5,283	5,378	5,283
Capital Creditor	760	886	760	886
	<u>10,367</u>	<u>10,898</u>	<u>10,367</u>	<u>10,898</u>

Bank loans relates to £5,700k borrowed from Metro bank in 2019 at a rate of 3% above the Bank of England base rate. The average rate of interest on this loan during the year was 4.16% (2021: 3.15%). In 2019 interest payments of £88k were suspended and added to the principal borrowed. Monthly capital repayments commenced in June 2022 with final payment due in 2039.

In March 2021 the Company repaid a Coronavirus Business Interruption Loan of £3m, the interest on this loan was covered by a COVID Business Interruption Support Grant. The amount of grant received in this year was £nil (2021: £24k). In March 2021 the company borrowed £4,300k from Metro Bank with capital repayment commencing in March 2023 at a rate of 3.50% above the Bank of England base rate. The interest on this loan was covered by a COVID Business Interruption Support Grant for the first 12 months. The amount of grant received in the year was £38k (2021: £116k). The final payment will be made in 2027. The average rate of interest on this loan during the year was 3.73%.

Capital creditors relate to the debenture against the tiger enclosure held by Wates Property Services Limited. This financing arrangement was entered into in July 2019, with the final payment due in June 2029. The average interest rate on capital creditors during the year was 3.0% (2021: 3.0%)

The Group breached one of their banking covenants in the first two quarters of 2023 which has been notified to the bank. The bank reserve their rights under the existing agreements, however, given a challenging start to 2023 and the accounting implications of the new annual ticket the Group's banking partner has agreed to reset the profitability based covenant such that it is next tested at 30 September 2024, to allow for a full 12 months of earnings of the new ticket. The minimum cash covenant has been increased to account for higher levels of Bank of England base rates and the Group has committed to testing the cashflow based covenant on a quarterly basis to provide further comfort around cash control. The changes are a further demonstration of the banks continued support for the Group.

MATURITY OF LOANS & BORROWINGS AND CAPITAL CREDITORS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Under one year	362	403	362	403
Between two and five years	5,515	1,873	5,515	1,873
Over five years	4,841	8,596	4,841	8,596
	<u>10,721</u>	<u>10,872</u>	<u>10,721</u>	<u>10,872</u>

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Notes to the Accounts (continued)

18. FUNDS

ENDOWMENT FUND

	£'000
1 January 2022 and 31 December 2022	100

UNRESTRICTED FUNDS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Designated Funds				
1 January	17,441	17,543	17,441	17,543
Transfer to Designated funds from Other Unrestricted Funds	(943)	(102)	(943)	(102)
31 December	<u>16,498</u>	<u>17,441</u>	<u>16,498</u>	<u>17,441</u>
Fixed Assets	15,131	16,074	15,131	16,074
Conservation Welfare	<u>1,367</u>	<u>1,367</u>	<u>1,367</u>	<u>1,367</u>
	<u>16,498</u>	<u>17,441</u>	<u>16,498</u>	<u>17,441</u>

The Conservation Welfare Fund is to provide grants to wildlife conservation and/or welfare projects.

During 2019, the Trustees implemented a policy to establish a designated fund relating to tangible fixed assets. Establishing this designated fund reflects the Group's net assets are largely attributed to capitalised tangible fixed assets, which do not provide free funds which are available for use. The policy requires that an amount which equates to approximately three months of unrestricted spending expenditure is maintained in free reserves and is not designated. The carrying value of tangible fixed assets at 31 December 2022 was £34,714k (2021: £33,979k), see note 12. A reconciliation between total funds and the significant components of net assets is provided in note 20. During 2022 £1,292k have been transferred to "Other Unrestricted Funds" from "Designated Funds" (2021: £102k transferred to "Other Unrestricted Funds" from "Designated Funds"), resulting in total "Other Unrestricted Funds" of £1,204k and £750k for the Group and Company respectively (2021: £1,204k and £750k).

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Notes to the Accounts (continued)

Note 18 (Continued)

Revaluation Reserve	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1 January	5,034	1,852	5,034	1,852
Revaluation during the year	-	3,240	-	3,240
Annual Transfer from Revaluation Reserve to Other Unrestricted Funds	(347)	(58)	(347)	(58)
31 December	<u>4,687</u>	<u>5,034</u>	<u>4,687</u>	<u>5,034</u>
Other Unrestricted Funds				
	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1 January	1,204	1,204	750	750
Net surplus for the year	(1,436)	(194)	(1,436)	(194)
Actuarial Gain on revaluation of pension liability	146	34	146	34
Transfer from Revaluation Reserve	347	58	347	58
Transfer from Designated Funds - Fixed Assets	943	102	943	102
31 December	<u>1,204</u>	<u>1,204</u>	<u>750</u>	<u>750</u>
Total unrestricted funds	<u>22,389</u>	<u>23,679</u>	<u>21,935</u>	<u>23,225</u>

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Notes to the Accounts (continued)

Note 18 (Continued)

RESTRICTED FUNDS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1st January	2,726	2,817	2,726	2,817
Income in the year	411	11	411	11
Expended in the year	(99)	(102)	(99)	(102)
31st December	<u>3,038</u>	<u>2,726</u>	<u>3,038</u>	<u>2,726</u>

	1st January 2022 £'000	Income £'000	Expenditure £'000	31st December 2022 £'000
Himalaya	2,200	-	75	2,125
Changing Places Grant	51	-	2	49
LLEP SME Growth Fund	474	-	14	460
International Zoo Management Project	-	8	8	-
National Science and Conservation Centre (NSCC)	-	403	-	403
Other	1	-	-	1
	<u>2,726</u>	<u>411</u>	<u>99</u>	<u>3,038</u>

Notes to the Accounts (continued)

Note 18 (Continued)

Himalaya

Twycross Zoo was awarded a grant of £3,000k by the East Midlands Development Agency towards the construction of a new visitor welcome centre. 'Himalaya' is a landmark project for the East Midlands region. The value of the building is held in Fixed Assets and the fund is amortised over the buildings estimated useful life.

Changing Places Grant Fund

The Changing Places Grant Fund was provided to fund some specific capital expenditure incurred during 2018 and is being amortised over its useful life.

LLEP SME Growth Fund

The Zoo Development Fund represents amounts received from Leicester and Leicestershire Enterprise Partnership to support the Trustees' master plan to develop the zoo infrastructure, The funds were expended on fixed assets during the 2015 financial year. The fund is amortised over the estimated useful life of the assets.

International Zoo Management Project

This is an Erasmus+ funded programme dedicated to the development of higher-level training in international zoo management. The project brings together the zoo with the higher education sector to develop a structured training programme that blends the applied/experiential-based knowledge of the zoo sector with the rigour of Higher Education-based pedagogy and research. The outcome will be a defined training curriculum incorporating three specific training modules that target International zoo welfare and management, International management of zoo-based conservation, and ethical and legal issues with international zoo management.

National Science and Conservation Centre

Following a successful bid for government levelling up funding, Twycross Zoo has secured funds for the National Science and Conservation Centre, which is due for completion in 2025. Design and planning work is now underway for which £403k of funds were received within the year.

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Notes to the Accounts (continued)

19. RECONCILIATION OF FUNDS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
(Deficit) for the year	(1,124)	(285)	(1,124)	(285)
Actuarial gains on revaluation of pension liability	146	34	146	34
Gains on revaluation of fixed assets	-	3,239	-	3,239
Opening funds	<u>26,505</u>	<u>23,517</u>	<u>26,051</u>	<u>23,063</u>
Closing funds	<u>25,527</u>	<u>26,505</u>	<u>25,073</u>	<u>26,051</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted funds £'000	Endowment fund £'000
Intangible fixed assets (note 11)	30	-	-
Tangible fixed assets (note 12)	31,588	3,038	100
Cash at bank and in hand	2,462	-	-
Other net current assets/(liabilities)	(1,071)	-	-
Long term liabilities (note 17)	(10,620)	-	-
	<u>22,389</u>	<u>3,038</u>	<u>100</u>

Notes to the Accounts (continued)

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no guarantees or financial commitments at 31 December 2022 (2021: £nil).

22. CASHFLOW

RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2022 £'000	2021 £'000
Net (outgoing) resources	(1,124)	(285)
Depreciation & amortisation	1,783	1,210
Amortisation of loan arrangement fees	12	11
Interest expense	487	-
Movement in stocks	(187)	(9)
Movement in debtors	(198)	679
Movement in creditors	82	(183)
	855	1,423

Interest expenses of £368k are included in the net outgoing resources in 2021, however as more akin to financial cashflows are now treated as financing cashflows in 2022.

22 (b) Analysis of movement in net debt

	1 January 2022 £'000	Cash flows £'000	Interest and finance charges £'000	31 December 2022 £'000
Cash and cash equivalents	4,894	(2,432)	-	2,462
Loans	(9,864)	466	(437)	(9,835)
Finance leases	(65)	29	(3)	(37)
Capital creditors	(1,008)	150	(28)	(886)
Net Debt	(6,043)	(1,785)	(468)	(8,296)

Notes to the Accounts (continued)

23. RELATED PARTY TRANSACTIONS

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited ("Zoo Park")

Transactions with Zoo Park were as follows:

	2022	2021
	£'000	£'000
Zoo Park profit gift aided to parent	723	898
Intercompany rent and other recharges	527	324
Intercompany Purchases from Zoo Park	(12)	-

Dr Sharon Redrobe, CEO, was appointed a director of her wife's company, Little Soap Company Limited, on 27 April 2020. During the year Zoo Park purchased goods for resale on normal commercial terms to the value of £nil (2021: £1,016) from Little Soap Company Limited. There are no balances outstanding at the end of the year.

24. CONTINGENCIES

There are no contingent liabilities at the 31 December 2022 (2021: £ nil).

Notes to the Accounts (continued)

25. PENSION LIABILITIES

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

Principal actuarial assumptions at the balance sheet date

	Year to 31 December	
	2022	2021
Discount rate	4.80%	1.80%
RPI price inflation	n/a	n/a
CPI price inflation	n/a	n/a
Mortality (pre and post retirement)	S3PXA light table with future improvements in line with the CMI 2021 projection model were used with a long term trend rate (LTTR) of 1.5% pa (2021: 2020 projection model, with LTTR of 1.5%)	
The amounts recognised in the statement of financial position	£'000	£'000
EFRBS unfunded Liability	253	392
The amounts recognised in the statement of financial activities	£'000	£'000
Net Interest Cost	7	5
The amounts recognised in the statement of other comprehensive income	£'000	£'000
Actuarial gain/(loss) on EFRBS Unfunded Liability	146	34
	Increase in Liability	
Sensitivity analysis	2022	2021
	£'000	£'000
Discount rate decreased by 0.1%	4	7
Life expectancy increased by one year	5	11

The above sensitivity analysis is based on isolated changes in each assumption whilst holding all other assumptions constant. In practice, that is unlikely to occur and there is likely to be some level of correlation between the movements in different assumptions.

For the year ended 31 December 2022, the total amount of actuarial re-measurement gain recorded in Other Recognised Gains/Losses (other comprehensive income) was £146k (2021: £34k). The net interest expense recognised in Total Expenditure was £7k (2021: £5k).

TWYCROSS ZOO-EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

England & Wales - Charity number 501841

Accounts



Twycross Zoo - East Midland Zoological
Society Limited
(limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2021

Company Number 1060956
Registered Charity Number 501841

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2021

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Year ended 31 December 2021

ADMINISTRATION, OFFICERS AND ADVISORS

REGISTERED OFFICE

Norton Grange
Norton-Juxta-Twycross
Atherstone
Warwickshire, CV9 3PX

REGISTERED NUMBER

1060956

CHARITY NUMBER

501841

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law are:

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

H J Mitchell

T B Payne

T Maxted

D Beckett

COMPANY SECRETARY

M Dytham

AUDITOR

Ernst & Young LLP
1 Colmore Square
Birmingham
B4 6HQ

BANKERS

Metro Bank plc
Southampton Row
London
WC1B 5HA

Twycross Zoo - East Midland Zoological Society Limited

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REPORT OF THE TRUSTEES

The Trustees present their annual report, together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 December 2021, which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act 2006 purposes.

CONSTITUTION

Twycross Zoo – East Midland Zoological Society Limited ("Twycross Zoo" and "the Zoo") is a private company limited by guarantee (incorporated in England and Wales with company registration number 1060956) governed by adopted Articles of Association as amended 24 June 2019. The Trust is also constituted as a registered charity with the Charity Commission – charity registration number 501841.

The Board of Trustees ("the Board") confirm that the financial statements comply with current generally accepted accounting principles.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The board of directors are the trustees of the charity supported by the executive management team who together comprise the key management personnel of the charity. The executive management team are in charge of directing and controlling, running and operating the Zoo on a day to day basis. All Trustees give their time freely and no registered director received remuneration in the year.

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are:

Rt. Hon. G W Hoon (Chairman)	
H S Dua	Appointed 15 July 2021
G C W England	
E A Hardwick-Smith	Appointed 28 June 2021
J P Helas	Resigned 28 June 2021
D J Keep	Resigned 28 June 2021
D J Meek	Appointed 28 June 2021, resigned 22 June 2022
G A Middleton	Resigned 1 January 2023
H J Mitchell	
T B Payne	Appointed 28 June 2021
J Thornell	Resigned 27 June 2022
L A Wall	Resigned 27 September 2021
T Maxted	Appointed 24 October 2022.
D K Beckett	Appointed 1 January 2023

KEY MANAGEMENT PERSONNEL

S Redrobe OBE	Chief Executive Officer – Resigned 30 June 2022
D J Meek	Chief Executive Officer – Appointed 30 June 2022
K Clarke	Chief Operations Officer – Resigned 17 May 2022
R Walker	Chief Financial Officer – Resigned 27 July 2022
C Watson	Chief Financial Officer – Appointed 27 July 2022

COMPANY SECRETARY

S Redrobe OBE	Resigned as Company Secretary 10 March 2022
R Walker	Appointed 10 March 2022, resigned 27 July 2022
M Dytham	Appointed 27 July 2022

REPORT OF THE TRUSTEES (continued)

Method of appointment, induction and training of Trustees

The Board appoint new Trustees as and when they see fit in order to maintain an appropriate range of skills and experiences amongst the members. New Trustees undergo an extensive Induction Programme and briefing sessions on the organisation, its aims and objectives. They are provided with a copy of the constitution, roles and responsibilities of being a Trustee at Twycross Zoo, most current Annual Report and Financial Statements, management accounts, the current business plan, management structures, policies relating to health & safety, equal opportunities, animal collection plan, economic impact assessment and development assessment.

Throughout the year, Trustees meet with the Chief Executive Officer ("CEO") and her team for regular updates regarding the performance and strategic delivery of the Zoo. In addition, Trustees attend events held during the year which gives them the opportunity to meet with management within the organisation as well as visitors to the zoo.

Indemnity Insurance

The Trust maintains indemnity insurance on behalf of its Trustees.

Organisational Structure

The Board of Trustees meet on a quarterly basis and call special General Meetings as and when these are required. In addition, the Chairman visits the Zoo regularly to review activities within the Zoo and also meets with the CEO on a regular basis.

Oversight is provided by a structure of Committees delegated by the main Board. These Committees include Finance and Audit & Risk who meet quarterly and Animal Conservation & Education who convene bi-annually.

The Finance Committee reviews current financial performance and ensures that future plans are properly costed and adequate funding is identified prior to being presented to the Board. The Finance Committee agrees the meeting frequency and dates in advance based on the needs of the organisation. This has resulted in meetings being held on a quarterly basis since 2019 and the Finance Committee members receiving management information on a monthly basis.

During the year a new Chief Financial Officer ("CFO") was appointed meaning that at the year end the Executive Team was made up of the CEO, the Chief Operations Officer and CFO, both of whom report to the CEO. Subsequent to the year end there was a reorganisation with the departure of the COO and the appointment of a new interim CEO replacing the incumbent with effect from June 2022. The Vice Chair of the Board of Trustees resigned from their position in May 2022 to take this interim CEO role and has since given notice of resignation as interim CEO for the end of February 2023. Recruitment for a permanent replacement is near completion. The role of Company Secretary moved to the CFO and then to the newly created post of Executive assistant to the CEO and Trustees. The CFO departed their role in July 2022, with successor in place immediately. The Executive Team was charged with management of daily operations and with proposing policy to the Board of Trustees. This process was managed by quarterly Board meetings with Trustees which are formally minuted.

Pay policy for staff

All Trustees give their time freely and no trustees received remuneration in the year, with the exception of out of pocket expenses.

The pay of staff is reviewed annually and subject to financial performance, an increase may be awarded. In view of the nature of the charity, methodology and benchmarking is gained from inside and outside the industry and similar roles are also used to assess pay and rewards. These include:

- benchmarking against pay levels in other similar organisations
- market rate analysis conducted where similar roles operate.

REPORT OF THE TRUSTEES (continued)

All staff are paid at least the National Minimum Wage appropriate to their age with pay rates adjusted in line with relevant legislation during the year. Those that did not receive a pay increase in April 2021, received a later rise in October 2021. In addition, exceptional discretionary increases were made where benchmarking showed rates out of step and failing to retain staff in certain key roles would have proved a risk to the business. Where necessary a market addition is paid but limited to the highest benchmarked salary for a comparable role.

STRATEGIC REPORT

PRINCIPAL OBJECTIVES AND ACTIVITIES

The charity's principal charitable objectives include the enhancement of animal welfare, conservation, education, research and recreation for the visiting public. The group also carries out retail and catering activities to generate additional income through its subsidiary company, Zoo Park (Twycross) Limited.

The Trust owns and manages Zoological Gardens at Norton-Juxta-Twycross in Leicestershire covering an area of some 95 acres.

The Trust's aims and objectives are:

- Life Sciences - Practice professional standards of animal care and welfare and develop environmental enrichment programmes to give the animals a fulfilled life, both physically and mentally.
- Conservation - Incorporate the animals, wherever possible, into regional and global breeding programmes to aid species conservation. Support sound genetic management and co-operative policies to maintain the genetic diversity of species in its care and support appropriate field programmes and reintroduction projects.
- Education - Develop formal and informal education programmes for all sectors of society regarding wildlife and its conservation (biodiversity).
- Research - Encourage the scientific study of animals in areas that further animal welfare and conservation.
- Financial Resilience - Generate an income to fulfil the above and for the provision of facilities in the Zoo for the recreation and enjoyment, education and cultural enrichment of its visitors.

The key developments and achievements in each of these areas is detailed in the following pages.

Life Sciences

Although the Covid-19 pandemic was still making its presence known during the year it was recognised that development work needed to continue, for the Zoo to remain on target for meeting its 2030 vision as a European Centre of Excellence for Conservation as we move out of the pandemic.

A number of vivariums were installed and furnished in the visitor area of Gibbon Forest, which were completed during the several months of lockdown at the start of the year. Several species, including endangered Chinese crocodile lizard and Chapa bug-eyed frogs and critically endangered turquoise dwarf gecko were moved into their new habitats prior to the Zoo re-opening.

Later in the year one of our vacated chimpanzee enclosures underwent an overhaul to provide a new habitat for our group of 13 bonobos, the only ones of their species in the UK. The increased space and second outdoor enclosure that this renovation provides ensures that we can continue to provide a high level of welfare for the animals in our care.

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REPORT OF THE TRUSTEES (continued)

During the construction phase of the Gruffalo Discovery Land the animal team were actively involved in the design and construction of a new aviary for great grey owls and two new vivariums for snakes. As we ended the year, we also finalised details to install a chlorination system in the penguin pool in early 2022, so as to improve the quality of the water for the penguins as well as the clarity of the water and underwater viewing for our visitors.

As a member of EAZA, the European Association of Zoos and Aquaria, Twycross Zoo participates in 46 coordinated breeding programmes within Europe and as such a number of species produced offspring during the year. The following is a selection of births and hatchings during 2021, many of which are part of coordinated European breeding programmes (in bold):

- **2 emperor tamarins**
- **1 Francois langur**
- **1 L'hoest's monkey**
- **1 Kirk's dik-dik**
- **1 Michie's tufted deer**
- **6 Humboldt penguins**
- 1 Chilean flamingo
- 1 Verreaux's eagle owl

The successful hatching and rearing of a Chilean flamingo were the result of increasing the colony size several years ago with a number of young birds, which have now reached maturity. This was the first chick to be hatched in almost 20 years and bodes well for future and increased breeding success.

The Verreaux's eagle owl was the first breeding of this species at Twycross Zoo following the arrival of a young male from Berlin Tierpark in late 2020 and will be transferred to Chester Zoo in 2022 as part of a new pairing.

With support from our local Authority Hinckley and Bosworth Borough Council and Dr Luke Evans MP we had the welcome news that that the Zoo was successful in its bid for £19.9m Government levelling up funding to deliver the National Science and Conservation Centre on site. This is the biggest ever grant award to a UK zoo to our knowledge. This new building will comprise teaching and research space as well as conference and accommodation facilities integrated with a new habitat for orang-utan. Our senior animal and science department staff started the process of initial design work in readiness for more detailed design and planning work in 2022.

Conservation

Twycross Zoo is fully committed to accelerating global conservation efforts via a number of approaches. The Zoo is home to many endangered species, with a large number of them being part of conservation breeding programmes coordinated at a European level, which ensure that genetically viable populations continue to be effectively managed. Once again, the pandemic, coupled with Brexit and the UK's exit from the European Union, has had a disastrous impact on our ability to move animals between the UK, Europe and the rest of the world. This has prevented the completion of many planned animal transfers as part of those programmes throughout the year, impacting our ability to be able to work with our European colleagues effectively.

Compared to previous years, where in the region of 40 such transfers would be completed, only two overseas moves took place. These were a critically endangered Amur leopard to Monde Sauvage Safari Park, Belgium and a dusky leaf monkey to Almaty, Kazakhstan.

A number of animal moves within the UK were completed however, including a group of North African gundi to Lakeland Wildlife Oasis in the Lake District and a pair of white storks to the Cotswold Wildlife Park as part of a breeding programme to help reintroduce white storks to Poland.

REPORT OF THE TRUSTEES (continued)

Twycross Zoo's commitment to species management is evident in the Zoo's continued representation at both national and international level through its involvement in key working groups and committees focusing on species management and welfare. We continue to be members of European and international organisations, including the British and Irish Association of Zoos and Aquariums (BIAZA), the European Association of Zoos and Aquaria (EAZA), the World Association of Zoos and Aquariums (WAZA) and the International Union for Conservation of Nature (IUCN). Furthermore, Twycross Zoo remains active as a conservation partner of GRASP-UN, which is the only non-human species-focused UN programme.

The Zoo's continued participation in worldwide managed species programmes, including EEP (EAZA Ex situ Programmes) and ESB (European Studbooks) ensures the continued genetic health of the animals and populations. The Zoo co-ordinates the European breeding programmes for the siamang gibbon and Ecuadorian Amazon parrot and actively participates in a number of others, including for Eastern black rhino, Sumatran tigers and the bonobo, one of the four great apes and kept only by Twycross Zoo in the UK. The Director of Conservation, Dr Rebecca Biddle is Vice Chair of the EAZA Population Management Advisory Group and the curator, Neil Dorman is an elected member of several EEP Species Committees, including for bonobo, bush dogs and both Amur and snow leopard. The Veterinary Services Manager, Phillipa Dobbs is the Chair of the BIAZA veterinary focus group, veterinary advisor for the BIAZA Mammal Working Group and the veterinary advisor for the siamang gibbon and bush dog EEP's.

Due to the significant impact on the Conservation Welfare fund in 2020, the focus for 2021 has been matching the support offered to our conservation partners in 2019. We have successfully achieved this through our donations in the year, which goes some way to relieving their financial burden brought about by the pandemic. This support enables globally important conservation work to preserve endangered species and habitats. Twycross Zoo focuses on supporting organisations, which are making a difference to wild populations, delivering conservation education in communities to help protect species and habitats or rescuing and rehabilitating animals under threat from anthropogenic pressures.

The partners we have supported this year include:

Ape Action Africa (AAA) rescue endangered primates from the illegal wildlife trade. The largest sanctuary in Cameroon supports more than 280 primates including a significant number of chimpanzees and gorillas. The pandemic continues to have a huge impact on AAA's finances with volunteers and visits still suspended in a bid to keep staff and primates safe. This year we have promoted their 25-year jubilee and 'A Christmas to Remember' campaigns. We continue to offer veterinary expertise to AAA and have donated valuable drugs and darts that are difficult and expensive to obtain in Cameroon.

Friends of Bonobos are the only sanctuary that have rescued rehabilitated and re-wilded a group of bonobos. We have supported Lola ya Bonobo Sanctuary for some time and now support Ekolo ya bonobo reserve. Lola ya bonobo sanctuary has had a record number of rescues despite the pandemic and they have another group of rehabilitated bonobos waiting to be released to the 120,000 acres of protected nature reserve. As part of our own new bonobo enclosure, we have developed conservation interpretation to highlight the work of Friends of bonobos.

Borneo Nature Foundation (BNF) is a significant conservation NGO based in Indonesia that supports conservation, education and research across a number of Indonesian species including Borneo orangutan, gibbons and Sumatran tigers. Current focus areas include orangutan habitat restoration, community outreach projects and wildcat conservation. One area, which has suffered due to the pandemic, is the tracking of wild primates including orangutan, gibbons and langurs, some having been monitored successfully since 2003. The risk of disease transmission was felt to be too great to continue this activity.

REPORT OF THE TRUSTEES (continued)

Wildtracks, Belize established as the National manatee rescue centre and now running very successful primate rescue, rehabilitation and reintroduction programmes. Following in-situ, capacity building in 2019 delivered by our veterinary team a group of spider monkeys were released. A further 5 individuals were due to be released this year, impacts including the pandemic and hurricanes have now pushed this release into 2022. Twycross Zoo have contributed to the GPS collars and provided funding to purchase video equipment to capture the release. This will help promote the conservation success. We will also be on hand to offer any remote veterinary advice. Wildtracks are lobbying government for changes in law to provide greater protection for wildlife and are also building plans for a Centre for Endangered Species to act as an education and interpretative facility for wildlife.

Flora Fauna International (FFI) run the Cao Vit gibbon project, to help increase numbers of this critically endangered primate, endemic to the forest on the border of Vietnam and China. This year FFI efforts have been on bringing International partners together to develop the Cao vit gibbon conservation action plan for the 2021 – 2025 period with a vision to 2050. This action plan sees the expansion of the protected area within the two countries to help secure the future of the Cao vit gibbon. Twycross Zoo continues to support this valuable project.

Wildlife Vets International (WVI) continue to be dedicated to transferring expert veterinary knowledge to the conservation front line, ensuring endangered species survive and thrive. Twycross Zoo continue to support the efforts of WVI around the Wild Tiger Health Centre (WTHC). The WTHC is an ever-expanding one stop on-line hub for vets and biologists working in range states to save tigers. It offers advice on drug doses and x-rays through to how to manage conflict animals and diagnosing canine distemper. Twycross Zoo also supported a photography competition across site and through our social media platforms to raise awareness of WVI and raise funds through entry fees. The competition also helped educate people regarding the threats faced by wildlife and proved popular with our visitors.

Association Européenne pour l'Etude et la Conservation des Lémuriens (AEECL) continue to secure the wild future of the blue-eyed black lemur (*Eulemur flavifrons*) through community collaboration, research and education. The blue-eyed black lemur is exclusively found on the remote Sahamalaza peninsula. Classified as critically endangered by the IUCN Redlist, the lemurs are under threat from the destruction of forest and illegal hunting and trapping, exact numbers are unknown.

West African Primate Conservation Action (WAPCA) are working to protect one of the IUCN's 25 key biodiversity hotspots, which cover only 1.4% of the world's surface but are home to more than 60% of all animal and plant species found on this planet. WAPCA continue to adopt a one plan approach to primate conservation working to increase wild populations, whilst working both in-country and through EAZA collections to maintain healthy ex-situ populations. They have managed to restart trans-boundary patrols and collect data on primate presence and any illegal activity consistently this year. The Endangered Primate Breeding Centre continues to expand housing four groups (three breeding) of endangered white-naped mangabeys and one lone female, and one lone Critically Endangered Roloway male, a total of eighteen animals.

We are also developing our conservation strategy and have agreed a significant increase in our conservation spend in 2022, recognising the important role Twycross zoo as a large charitable zoo and conservation organisation. Our conservation strategy focuses on four key pillars underpinned by conservation research, education and training:

- Maintain populations of threatened species with a strong focus on primates and species with a conservation breeding role
- Build conservation capacity in-house and in range countries to support the preservation of wild populations, with a focus on endangered primates
- Raise awareness, influence policy and advocate for wildlife worldwide
- Conserve British wildlife on our site and within the UK; striving for sustainability across all our activities.

REPORT OF THE TRUSTEES (continued)

A focus on UK native species conservation will help deliver greater impact for Twycross Zoo, enable greater involvement in our local communities and support national priorities in terms of developing a nature recovery network. We have agreed as part of this to fund two projects in partnership with Leicestershire and Rutland Wildlife Trust. The first will support the development of a local nature recovery strategy for the county of Leicestershire and will feed into national commitment of 30 by 30. That is 30% of land in England managed for biodiversity by 2030. The latter will survey the county for the Hazel dormouse believed to no longer persist in the local area. We will look at the opportunity for species recovery if suitable habitat exists and ecological conditions are favourable.

As part of our commitment to achieve Carbon Net Zero we undertook a full site carbon audit. As part of this, we plan to become carbon neutral by 2030 including removing 100% of fossil fuels from our site. We have already adopted renewable technologies including a biomass boiler powering our main visitor centre and LED lighting across the site. We have reduced 530 tonnes of CO2 emissions, almost 50% of the zoos carbon footprint, by adopting electricity from a renewable source.

As part of our drive to reduce, reuse or recycle we have stopped producing paper maps encouraging visitors to download our app, engage staff or take pictures of the signage throughout the site. We have also rolled out a Dry Mixed Recycling scheme in all staff areas, including a crisp packet recycling scheme and a mobile phone recycling scheme for staff and visitors. Sustainable fish and palm oil policies are in place as part of our commitment to conserving the environment and resources within it.

Twycross Zoo recycles wastewater discharged from the site through a 19-pond reed bed filtration system. Using only natural ecological processes the wetland habitat created has seen native biodiversity flourish with many BAP species identified through regular surveying. The Twycross Zoo Nature Reserve is free for local communities and public to use, including an interpretive nature trail and a bird hide situated over a wildlife rich pond with educational materials to help ID native species

Education

Twycross Zoo has had an established education programme for several decades which continuously grows and widens the remit to engage with all visitors, so they are able to gain an appreciation of the natural world, its diversity and challenges. The Zoo's education programmes range from Early Years, through the curriculum key stages up to Master's Level programmes.

There is a long-standing partnership between the University of Nottingham and the Twycross Zoo veterinary department of over ten years and the Zoo is heavily involved in the clinical training of final year veterinary students. Twycross Zoo hosts students that take the final year elective of Zoo, Wildlife and Exotic Animal Medicine. Veterinary students have the opportunity to apply methods used during their course in a practical setting, including collecting data and conducting animal welfare audits.

To complement the relationship with the University of Nottingham School of Veterinary Medicine and Science, Twycross Zoo also supports the veterinary nurse programme of Nottingham Trent University. Launched in 2018 this relationship continues to strengthen with Twycross Zoo providing clinical training and placements for veterinary nurse students.

Twycross Zoo also offers specialist teaching for undergraduate and masters level students. Current provision includes contributing to the MSc in Primate Behaviour and Conservation (University of Wolverhampton); MSc in Endangered Species (Nottingham Trent University) and MSc Animal Nutrition (University of Nottingham). Higher Education sessions continued in 2021, mainly taking place outdoors with additional sessions delivered to Keele and Coventry University. Dr Rebecca Biddle also delivered a conservation talk to Oxford Brookes University.

REPORT OF THE TRUSTEES (continued)

In partnership with the University of Wolverhampton, Twycross Zoo is the lead industry partner for the Erasmus plus funded InterZoo partnership. There are 3 university partners and 3 zoo partners from across Europe, bringing together expertise to develop a formal international post graduate professional qualification. As part of a two-year programme Twycross Zoo are leading the development of the International Management of Zoo based conservation alongside the University of Wolverhampton. As part of a hybrid event, Twycross Zoo presented the content of the conservation module alongside the University of Wolverhampton at a multiplier event in Budapest Zoo, Hungary. The audience included EAZA, WAZA, HE and Zoo representatives, and potential users of the course. There appeared to be significant interest from the sector and from students interested in undertaking the programme with the next step being a summer school in June 2022 to pilot the course content. This is a great opportunity for Twycross Zoo to lead the way in terms of providing continuous professional development across the zoo sector and could be a flagship programme of the National Science and Conservation Centre (NSCC).

The Zoo delivers to all stages of education's National Curriculum through a range of informal and formal environmental educational programmes for Zoo visitors, pre-school, primary, secondary and tertiary students, teachers and lecturers. As a result of continued lockdowns and other COVID-19 related restrictions the opportunity for formal taught sessions remained low and as a result we continued to deliver both formal and informal education online, delivering virtual school sessions and developing educational content for our social media platforms and Zoo website. Our programmes are developed to be curriculum and syllabi linked; with a number of tertiary education providers choosing the Zoo as an educational element of their specialised programmes.

Informal public educational talks are also an engagement means delivered via a series of daily talks throughout the day, throughout the Zoo and via our website and social media. During 2019, over 80,000 visitors attended the informal educational talks and a further 52,000 visited our staffed enclosures for a close encounter with some of our animals. Sadly, once 2020 pandemic-related restrictions were put in place, we were unable to deliver public educational talks, but we continued to engage with the public in our staffed enclosures while the Zoo remained open.

Research

In 2021 Twycross Zoo participated in 41 research projects across a wide range of scientific disciplines including veterinary science, conservation genetics, conservation science, ape cognition and animal behaviour and welfare. Of these projects, 9 were at Bachelor's degree level (2020:16), 13 at Master's level (2020:7) and 14 at PhD level (2020:3). The remaining projects were part of post-doctoral funded research projects and one project was to support a Twycross Zoo employee achieve their DMZAA. We supported 8 EEP/TAG endorsed projects as part of European wide collaboration and our commitment to best practice in conservation breeding programmes. Covid-19 significantly reduced our capacity for research in 2021, with the first research projects starting in April 2021 and several projects experiencing significant delays. Research at Twycross Zoo in 2021 has resulted in 8 scientific publications in peer reviewed journals (2020:6), 2 conference presentations (2020: 3) and 2 poster presentations (2020:1).

REPORT OF THE TRUSTEES (continued)

Although the quantity of research reduced during the pandemic, we are pleased that we were able to focus our efforts on increasing the quality of projects undertaken at our collection. A significant number of projects have been at Masters Level and above, which increases the likelihood of further acknowledgements for Twycross Zoo in peer reviewed journal publications. We continue to encourage high quality impactful research by investing in collaborative PhD activity. Twycross Zoo is co-supervisor of 3 current PhD students, 2 launched in 2019 with the University of Leicester and University of Wolverhampton and the third launched in 2020 in collaboration with the University of Nottingham. The first focuses on conservation genetics to combat the illegal wildlife trade and includes ZSL as a co-collaborator. This project targets the Mongolian border a key IWT trade route aiming to improve species ID at borders and reduce testing time. The second on novel enrichment to improve the welfare and breeding success of captive primates, with 2 publications in 2021. The third investigates the link between vitamin D levels and ape heart health in collaboration with the University of Nottingham as part of the Ape Heart Project. The work for this was presented at the EAZA research conference. We continue to be a partner in the CENTA training alliance with Midlands Innovation Universities including University of Birmingham and Leicester. These are highly competitive National Environment Research Council (NERC) funded PhDs. Unfortunately, due to significant delays to projects brought about by the pandemic we were not successful in securing funding this year with the University of Birmingham but hope to target 2022/2023 cohort.

Twycross Zoo continues to lead the Ape Heart Project for the benefit of apes in the European Association of Zoos and Aquaria (EAZA). The AHP continues to contribute internationally leading research to the topic of ape heart health, publishing 6 peer reviewed journal articles in 2021. The clinical lead representing the zoo is Phillipa Dobbs BSc (hons), BVetMed (hons), Cert AVP (ZM), MRCVS partnering with the University of Nottingham and the University of Birmingham supported by; Dr Mike Martin, MVB, DVC, MRCVS; PhD student Phillipa Bucknell, DVetMed, MRCVS; Professor Kate White MA VetMB DVA Dipl ECVA MRCVS; Clinical Associate Professor Kerstin Baiker Dr.med.vet, Dipl ECVP, MRCVS, SFHEA and Dr Melissa Grant, PhD, SFHEA.

The Zoo continues to run the joint veterinary Doctorate of Veterinary Medicine (PhD level training) programme with the University of Nottingham School of Veterinary Medicine and Science, which encompasses clinical and research elements. With Sophie Moittie completing her final year, we had a new DVetMed student join us in 2021. Phillipa Bucknell will continue to build research capacity within the Ape Heart project and contribute to the valuable research on investigating the aetiopathogenesis of heart disease (particularly myocardial fibrosis) in Great Apes.

Twycross Zoo had a unique opportunity for research this year as we moved our group of 13 bonobos to their new enclosure. We were able to undertake cardiographs and collect samples to contribute to the Ape Heart project, which will result in at least 2 future publications. We also collected a significant amount of behaviour data pre and post move alongside work with the Bonobo EEP to scope individual personality type. We incorporated Qualitative Behaviour Assessment (QBA) to measure the welfare implications of such a move and contribute to future welfare monitoring as part of the wider EEP, which result in a further 2 publications.

Twycross Zoo has also started a collaboration with the University of St Andrews who are funding a position at Twycross zoo to support research in the area of ape cognition across our four great ape species. Understanding how our apes perceive their environment can contribute to a better understanding of welfare and improved husbandry techniques, whilst providing cognitive enrichment for our apes. Our unique position of having all 4 great ape species and a significant primate collection can attract researchers from around the world and will do this as part of the National Science and Conservation Centre (NSCC).

REPORT OF THE TRUSTEES (continued)

Twycross Zoo is committed to driving research to help achieve our conservation and organisational goals. These include studies that will enhance welfare or husbandry practices for our animals or help optimise conservation education/visitor engagement. We will also engage university partners in projects focused on helping us achieve our sustainability objectives and assessing native species at the Twycross Zoo Nature Reserve and within the wider zoo site.

Moving forward we will look to assess our research in line with our strategic conservation goals, against four criteria:

1. Provide the highest level of husbandry and welfare – with a focus on species with a direct conservation role i.e. those that are part of a conservation breeding EEP.
2. Directly assist, or provide knowledge that can assist, with conservation in range countries.
3. Build strategic links that help up to increase our reach for awareness raising, policy change and advocacy.
4. Learn more about the native species on site and in the local area, and how to conserve them.

As part of the National Science and Conservation Centre (NSCC) Levelling-Up Fund bid, Twycross zoo received 7 letters of support from key regional universities including, Birmingham, Nottingham, Leicester, Loughborough, Keele and Wolverhampton. We also received support from the University of St Andrews and Oxford Brookes University who have significant expertise in primatology. As part of the strategy for the NSCC relationships with Higher Education Institutions will be key for skills delivery. We will also be looking to strengthen research partnerships bringing together university partners within the centre to deliver conservation action informed by scientific research to preserve and protect endangered species and habitats both within ex-situ and in-situ conservation settings. We will also aim to increase the level of social science research undertaken to ensure communities are engaged in conservation efforts and that we are delivering conservation education with impact.

The Zoo's on-site research facilities include a library and information technology with standard software, internet access as well as access to zoo animal records and a database of zoo-specific documents such as studbooks.

Financial

See also Financial Review Section

The impact of the pandemic continued into 2021 with the zoo closed for the first quarter of the year. However, once restrictions were lifted in the Spring, the Zoo saw a strong recovery throughout the remainder of the year. The Zoo closed the year with a strong balance sheet position despite the Omicron variant of Covid-19 deflating results in the closing weeks. The Zoo continued to access Government support through Covid Business Interruption Loans and the Covid Job Retention Scheme, with over £190k (2020: over £400k) of government support received.

Visitor numbers in 2021 was just over 421k (2020: 415k) meaning income levels stayed lower than 2019 levels when visitor numbers were much higher (648k). While direct and avoidable costs were removed wherever possible, a large proportion of the Zoo's overheads relate to caring for the animals which remains the most important use of our funds. Staff in customer facing operations were furloughed and other cost reducing measures were continued where possible. Support was also received from key suppliers who were able to suspend regular charges for short periods during the height of the pandemic. The continued support from the public through the first quarter of the year through online retail and membership purchases and other fundraising and donations was vital to the sustainability of the zoo.

As a result of careful management of cash throughout the year, the Zoo was able to continue work on our newest visitor attraction, The Gruffalo Discovery Land, which was successfully launched in time for Easter 2022.

Overall, income including Government Support was £10.6m (2020: £9.9m). The net deficit is £285k (2020: surplus of £290k) The Total Funds increased in the year by £2,988k (2020: £230k) to £26.5m (2020: £23.5m).

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REPORT OF THE TRUSTEES (continued)

PUBLIC BENEFIT

The Trustees have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charity Commission, including its supplementary guidance on fee charging.

The launch of Twycross Zoo's 2030 vision at the House of Lords in October 2019, reinforced Twycross Zoo's commitment to the conservation and sustainability of our planet that we share with other animals. The initiatives to reduce waste on the Zoo site started in 2019 continued to focus on reducing plastic waste and conserving other natural resources.

The programme of engagement with international conservation projects was significantly reduced by the financial and travel limitations imposed by the Covid pandemic restrictions, but Zoo staff continued to raise awareness of the plight of endangered species through various communication channels.

As described under the Conservation header above, the Zoo continues to provide financial support to a number of conservation and welfare partners around the world. This financial support has helped to reduce the financial impact of the pandemic on those partner organisations.

Internal Operations

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited whose activities include the management of retail shops, cafeterias and conference facilities within the Himalaya building as well as additional retail and cafeterias facilities around the Zoo. The aim of the subsidiary is to generate funds to donate to the financial viability of the charity. The subsidiary company pays rent to the charity in respect of the buildings and assets utilised by the shops and cafeterias.

The Retail Strategy continued to deliver a sound retail product offer. Retail continued to perform well under difficult circumstances during 2021, despite the prolonged closures, including online sales reflecting the continued support of our customers. Catering is delivered in partnership with a catering specialist. The catering partnership was put in place in January 2017 and has now completed five years of trading. The collaborative approach with our catering partner has allowed us to respond to the business conditions and prepare for reopening to ensure we were able to recover from the long periods of closure quickly and efficiently. Retail and Catering turnover totalled £3,118k (2020: £2,624k) and profit £898k (2020: £639k)

Key Performance Indicators

Key Performance Indicators are set to monitor and measure progress and achievements throughout the year. The Zoo's executive team monitors and reviews on a regular basis the charity's key performance indicators against budget and prior year performance which include: -

- Admissions Revenue
- EBITDA
- Retail spend
- Catering spend
- Total visitors
- Education visits
- Memberships

Regular monitoring of the KPI's ensured the Zoo was able to achieve its financial, education and charitable objectives throughout the year.

REPORT OF THE TRUSTEES (continued)

FINANCIAL REVIEW

The annual Financial Statements for the year to 31 December 2021 are set out at pages 21 to 48. The Trustees' financial objectives are to make a surplus each year. In 2021, a deficit was made of £(285,420) (2020: surplus of £289,710).

Capital Expenditure

Capital investment in the Zoo's habitat and visitor experience is a strategic priority of the Trustees. Fixed asset additions were £4,359k (2020 £606k) with a focus on completing the Gruffalo Discovery Land ahead of its opening in early 2022. No major habitat developments were undertaken, and expenditure was incurred on improving existing facilities for some animals.

Income and Expenditure

Admissions and related income was £6.9m (2020: £6.4m) an increase of 8% (2020 increase 18%) reflecting a strong summer following reopening. Donations and Legacies received were £323k (2020: £449K) and Government Business Support Grants were £190k (2020: £404k). Total Expenditure increased to £10.8m (2020: £9.6m). The Zoo continued to adopt many of the cost saving measures which were introduced in 2020 during periods of closure but did incur an increased level of direct costs to support the increase in income levels during busier periods.

The zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31st December 2021. This resulted in a net increase in value of £3,240k which has been credited to the revaluation reserve in the accounts. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of the zoo's land and buildings owned by Twycross Zoo.

Visitor Numbers

Visitor numbers remained depressed against 2019 as a result of Zoo closures during the year as a consequence of Covid restrictions, however as a result of a strong return on opening results in an increase in visitors by 1% compared to 2020 to 421k. There was a reduction of 36% in 2020 to 415k.

Zoo Park (Twycross) Limited

The Zoo's trading subsidiary, Zoo Park (Twycross) Limited provides retail and catering facilities across the site reported a turnover of £3.1m (2020: £2.6m). The surplus of £898k (2020: £639k) was 41% more than 2020 and is included in the Group surplus.

Going Concern

The Group has net current assets of £3,399k (2020: £5,662k). In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of February 2024, representing more than 12 months from the date of signing the accounts. The base case projections are based upon the conservative budget for 2023, which has recently been approved by the Board of Trustees extended to February 2024.

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REPORT OF THE TRUSTEES (continued)

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience during 2022 with yields continuing to improve on 2021 levels, as well as the positive customer reaction to the opening of our latest attraction, The Gruffalo Discovery Land.
- ▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) is bound. The continued support of the Group's banking partners has been demonstrated in recent years through the provision of further loan facilities and covenant waivers during the Covid period.

As a result of cost of living crisis there is increased uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which are flexed accordingly and, as has been demonstrated during 2020 and 2021 there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that, with no cost reduction actions, visitor number reductions of 1.6% can be borne without breaching the Group's covenants during the going concern assessment period. Similarly, a fall in visitors numbers in any one month over the oncoming months of between 5.8%-8% could result in a breach. As part of the ordinary running of the business, a number of semi variable costs can be flexed in response to any downturn in visitor numbers to mitigate the impact of an income fall, before considering further cost reduction actions in a more stressed situation. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well as further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end of February 2024. For these reasons, the Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

REPORT OF THE TRUSTEES (continued)

PLANS FOR THE FUTURE

The Zoo's master plan was implemented in 2015 but was interrupted by the impact of the Covid pandemic. The master plan resumed during 2021 with a focus on improved visitor facilities, most notably the Gruffalo Discovery Land, aimed at increasing the number of young visitors. The master plan will also incorporate new animal exhibits and a vibrant zoological arena. Planned developments as well as The Gruffalo Discovery Land, which was completed in early 2022, will raise the profile of the Zoo as a major contributor to animal conservation, the advancement of scientific research and a major regional tourist attraction.

In addition, planning work has commenced on the development of the National Science and Conservation Centre following a successful bid for Government levelling up funding.

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REPORT OF THE TRUSTEES (continued)

RISK MANAGEMENT

The Zoo has a formal risk management strategy in place to assess business risks across the organisation. The Zoo continually reviews the major risks that it faces and has developed systems to monitor and control these risks to mitigate any impact they may have on the Zoo in the future.

The principal risks and uncertainties facing the Zoo's ongoing success are:

Risk Description	Impact / Consequence	Mitigation
Downturn in the UK and / or global economy adversely affecting the UK tourist and leisure industry	<ul style="list-style-type: none"> Visitor number reduction Loss of revenue Lack of financing facilities Unable to invest in the Zoo's development programme Unable to maintain the current Zoo site Unable to maintain animal collection Lose core staff 	<ul style="list-style-type: none"> Ensure as many costs as possible can be flexed with visitor numbers Engage with a strong targeted marketing campaign Exploit the drive time markets Keep the Zoo exhibits refreshed Provide "Value added" for the ticket price
The Zoo does not retain its Zoo licence	<ul style="list-style-type: none"> Zoo closure is enforced 	<ul style="list-style-type: none"> Maintain required standards as dictated by the Zoo Licensing Act Carryout regular desktop compliance reviews Carryout regular training
There are insufficient cash funds available to cash flow the Zoo's business plan	<ul style="list-style-type: none"> The Zoo could be declared bankrupt by unpaid creditors 	<ul style="list-style-type: none"> Maintain an adequate set level of working capital. Cash reserves forecasts are set aside to enable cash flow management. Carryout regular cash forecasting of available cash to determine adequate levels.
Cash covenants are breached	<ul style="list-style-type: none"> Reputational damage with funders Not able to deliver the Zoo Development plan impacting negatively on visitor revenue 	<ul style="list-style-type: none"> Regular reviews of covenants carried out and reported to Board and Committee Regular reviews of cash forecasting reported to Committee Regular Debt reviews carried out Profit protection plan monitored
Breach of Health & Safety statutory regulations	<ul style="list-style-type: none"> The Zoo licence is revoked by the Local Authority Investigation and prosecution by Health & Safety Executive The Zoo incurs criminal charges and financial penalties 	<ul style="list-style-type: none"> Contract with a "Critical" partner to provide compliance assurance Ensure adequate H&S policies in place which are implemented Regular and appropriate H&S training for staff
IT infrastructure is not adequate to support the business operation	<ul style="list-style-type: none"> There is a breakdown of IT equipment due to age and / or inadequacy of the equipment Breach of IT security of the data held and / or loss of data Loss of revenue Reputational damage 	<ul style="list-style-type: none"> Ensure sound and capable IT infrastructure and support Utilise in-house and outsourced solutions for growth and delivery Long term planning to replace / upgrade solutions Take timely and regular system back-ups / replications appropriate to the data and operation Policy for data storage which is adhered to including an "off-site" option. Frequent "patching" with "provider issued" patching to guard against unauthorised access Develop "resilience" into the system to ensure business continuity. Carryout annual scoping exercises to ensure current IT infrastructure is adequate
Board Members and Exec (Strategic Team) will not have sufficient skill or experience to manage the organisation's affairs.	<ul style="list-style-type: none"> Decisions made which are not thought through with high quality rigor damage the organisation's sustainability and reputation. 	<ul style="list-style-type: none"> Review Board skill sets annually to ensure appropriateness and fit to strategic objectives Carryout regular Board training in key strategic areas Ensure regular governance updates Ensure Strategic team have at least an annual strategy day to review and develop strategic plans and direction

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REPORT OF THE TRUSTEES (continued)

RELATIONSHIPS WITH OTHER CHARITABLE BODIES

The Trust maintains active links and co-operates with other Zoos and animal welfare bodies throughout the world in the furtherance of the Charity's aims and objectives. These include BIAZA (British and Irish Association of Zoos and Aquariums), EAZA (European Association of Zoos and Aquaria), WAZA (World Association of Zoos and Aquariums), IUCN (International Union for Conservation of Nature) and CPSG (Conservation Planning Specialist Group).

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted spending expenditure. The Trustees consider that this level has been met and will provide sufficient funds to respond to short term funding requirements and to ensure that support costs are covered. This aim has been maintained throughout the year.

The balance held as unrestricted funds at 31 December 2021 was £23.7m (2020: £20.6m), of which £1.2m (2020: £1.2m) are regarded as free non-designated reserves, after allowing for funds designated for fixed assets and conservation welfare and the revaluation reserve. Restricted reserves were £2.7m (2020: £2.8m) relating to specific grant receipts in relation to capital projects.

It is acknowledged by the organisation that it needs to maintain cash reserves that cover operating costs for a minimum of 3 months, estimated at £1.5m. Cash and bank reserves at 31 December 2021 were £4.9m (2020: £6.7m). The current level of reserves is therefore above the value needed.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as company directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report including the Strategic Report was approved on behalf of the board by:



Rt Hon G W Hoon
Chairman

Date: 22nd February 2023

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Twycross Zoo-East Midlands Zoological Society Limited for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

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

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies in accordance Section 10 of FRS 102 and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Trustees are also responsible for preparing a Trustees' report, that complies with that law and those regulations. The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLANDS ZOOLOGICAL SOCIETY LIMITED

Opinion

We have audited the financial statements of Twycross Zoo – East Midlands Zoological Society Limited and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activity, the consolidated group and company balance sheet, the consolidated statement of cashflows and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland". In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable group and of the parent company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the accounting policies in the financial statements, which indicates that the sensitivity of the headroom within the forecasts in respect of a decrease to expected visitor numbers or lower average profit per visitor may cast significant doubt on the entity's ability to continue as a going concern. As stated in the accounting policies, these events or conditions, along with the other matters as set forth in the accounting policies, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities and the responsibilities of the Trustees' / directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's and group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group and the charitable 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 management either intends to liquidate the group or the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (Charities SORP, FRS 102 and the Companies Act 2006).
- We understood how the group is complying with those frameworks by making enquiries of management, including those charged with governance, to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of board minutes.
- We assessed the susceptibility of the group and charitable company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management, including those charged with governance. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override in relation to the posting of non-standard manual journals in respect of revenue and identified specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions were recorded in compliance with the Charities SORP, FRS 102 and, where appropriate, Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)

**for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham**

22nd February 2023

Twycross Zoo - East Midland Zoological Society Limited

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ended 31 December 2021

	Notes	2021			2020	
		Unrestricted	Restricted	Endowment	Total	
					Total	
					£	
INCOMING RESOURCES						
FROM GENERATED FUNDS						
Voluntary						
Donations & Gifts	2	323,230	-	-	323,230	449,439
CHARITABLE ACTIVITIES						
Life Science, Education and Conservation Welfare	3	6,872,663	11,319	-	6,883,982	6,443,566
Activities For Generating Funds						
Retail & Catering	4	3,118,369	-	-	3,118,369	2,624,400
Government Business						
Support Grants		190,325	-	-	190,325	403,953
Interest Received		7,020	-	-	7,020	5,525
TOTAL INCOMING RESOURCES		10,511,607	11,319	-	10,522,926	9,926,883
RESOURCES EXPENDED						
COST OF GENERATING FUNDS						
Retail & Catering	4/5	(1,928,853)	-	-	(1,928,853)	(1,714,500)
CHARITABLE ACTIVITY						
Life Science, Education and Conservation Welfare	5	(8,724,605)	(102,463)	-	(8,827,068)	(7,840,731)
GOVERNANCE COSTS		(52,425)	-	-	(52,425)	(42,215)
CORPORATION TAX	8	-	-	-	-	(39,727)
TOTAL RESOURCES EXPENDED		(10,705,883)	(102,463)	-	(10,808,346)	(9,637,173)
NET (OUTGOING)/INCOMING RESOURCES		(194,276)	(91,144)	-	(285,420)	289,710
OTHER RECOGNISED GAINS						
Actuarial gain / (loss) on revaluation of pension liability		34,000	-	-	34,000	(60,000)
Gain on revaluation of fixed assets	12	3,239,618	-	-	3,239,618	-
NET MOVEMENT IN FUNDS		3,079,342	(91,144)	-	2,988,198	229,710
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	18/19	20,599,842	2,817,006	100,000	23,516,848	23,287,138
FUND BALANCES CARRIED FORWARD AT 1 JANUARY	18/19	23,679,184	2,725,862	100,000	26,505,046	23,516,848

Income and net income for the year arise from the Group's continuing operations. No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Consolidated Statement of Financial Activities.

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CONSOLIDATED GROUP AND COMPANY BALANCE SHEET

As at 31 December 2021

	Notes	Group		Company	
		2021	2020	2021	2020
FIXED ASSETS					
Intangible Assets	11	25,159	80,652	25,159	80,652
Tangible Assets	12	33,979,207	27,530,539	33,979,207	27,530,539
Investments	13	-	-	72,500	72,500
		<u>34,004,366</u>	<u>27,611,191</u>	<u>34,076,866</u>	<u>27,683,691</u>
CURRENT ASSETS					
Stocks	14	134,883	125,549	-	-
Debtors	15	316,597	995,904	408,091	1,243,463
Cash at Bank & In Hand		4,894,097	6,733,046	4,191,942	5,605,864
		<u>5,345,577</u>	<u>7,854,499</u>	<u>4,600,033</u>	<u>6,849,327</u>
CREDITORS: Amounts falling due within one year	16	(1,946,850)	(2,192,142)	(1,727,930)	(1,713,594)
NET CURRENT ASSETS		<u>3,398,727</u>	<u>5,662,357</u>	<u>2,872,103</u>	<u>5,135,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,403,093</u>	<u>33,273,548</u>	<u>36,948,969</u>	<u>32,819,424</u>
CREDITORS: Amounts falling due after more than one year	17	(10,898,047)	(9,756,700)	(10,898,047)	(9,756,700)
NET ASSETS		<u><u>26,505,046</u></u>	<u><u>23,516,848</u></u>	<u><u>26,050,922</u></u>	<u><u>23,062,724</u></u>
FUNDS					
Endowment Fund	18	100,000	100,000	100,000	100,000
Restricted Funds	18	2,725,862	2,817,006	2,725,862	2,817,006
UNRESTRICTED FUNDS					
Designated	18	17,441,536	17,543,478	17,441,536	17,543,478
Other	18	1,204,124	1,204,124	750,000	750,000
Revaluation Reserve	18	5,033,524	1,852,240	5,033,524	1,852,240
	19	<u>26,505,046</u>	<u>23,516,848</u>	<u>26,050,922</u>	<u>23,062,724</u>

The financial statements on pages 23 to 48 have been approved by the board and authorised for issue on 22nd February 2023 and are signed on its behalf by:

Rt Hon G W Hoon – Chairman



Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2021

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2021

	Notes	2020 £	2020 £
CASHFLOWS FROM OPERATING ACTIVITIES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	22	1,422,798	1,768,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid to acquire intangible and tangible fixed assets		(4,364,045)	(605,726)
		<u>(4,364,045)</u>	<u>(605,726)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflows from new bank borrowings		4,300,000	3,000,000
Repayments of bank borrowings and repayment of principal amounts of finance leases and capital creditors		(3,197,702)	(140,416)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		<u>1,102,298</u>	<u>2,859,584</u>
Change in cash and cash equivalents in the reporting period	22	<u>(1,838,949)</u>	<u>4,022,047</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	22	<u>4,894,097</u>	<u>6,733,046</u>

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Twycross Zoo – East Midland Zoological Society Limited is a charitable company and a public benefit entity. Therefore, other than the revaluation of the zoo's land and buildings, the financial statements have been prepared under the historical cost accounting rules. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and are in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent company has not been separately presented in the financial statements. The financial statements are presented in sterling (£).

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking on a line by line basis using acquisition accounting, eliminating intercompany balances and transactions. The financial statements are presented in the form of Group financial statements.

GOING CONCERN

The Group has net current assets of £3,399k (2020: £5,662k). In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the cost of living crisis and high inflation rates in the UK. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers a period to the end of February 2024, representing more than 12 months from the date of signing the accounts. The base case projections are based upon the conservative budget for 2023, which has recently been approved by the Board of Trustees extended to February 2024.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- ▶ Prudent financial planning assumptions to ensure resources are directed towards critical activities. For example, potential upsides from activity such as donations made to the Group and from other one-off activities which are planned are excluded from the budget.
- ▶ Building on the positive trading experience during 2022 with yields continuing to improve on 2021 levels, as well as the positive customer reaction to the opening of our latest attraction, The Gruffalo Discovery Land.
- ▶ The implications that social and economic conditions may have the Group's revenues and profits driven by the cost of living crisis and high cost inflation.
- ▶ The uncertainty over future changes in the Bank of England interest rates, to which the interest on the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) is bound. The continued support of the Group's banking partners has been demonstrated in recent years through the provision of further loan facilities and covenant waivers during the Covid period.

As a result of cost of living crisis there is increased uncertainty regarding the potential impact that this may have on visitor numbers and ultimate future cashflows. In the case of an adverse movement in footfall against budget there are a number of operating costs, particularly given the make-up of the Group's cost base, which are flexed

ACCOUNTING POLICIES (continued)

accordingly and, as has been demonstrated during 2020 and 2021 there are a number of other cost reduction mechanisms which management can apply which can be used to further reduce costs during a prolonged downturn. A reverse stress test has been performed which demonstrates that, with no cost reduction actions, visitor number reductions of 1.6% can be borne without breaching the Group's covenants during the going concern assessment period. Similarly, a fall in visitors numbers in any one month over the oncoming months of between 5.8%-8% could result in a breach. As part of the ordinary running of the business, a number of semi variable costs can be flexed in response to any downturn in visitor numbers to mitigate the impact of an income fall, before considering further cost reduction actions in a more stressed situation. In the event of a more severe downturn, there are more significant actions which management could take reposition the Group's cost base.

The Trustees have assessed the financial position of the organisation, the forecasts described above and the mitigating actions available. The Trustees acknowledge that due to the continued risks with current economic uncertainty, as well further potential future downturns in the current economic climate, both of which are outside of management control, there is a plausible, adverse scenario that would result in a case of non-compliance with banking covenants and that this constitutes a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a Going Concern. However, given the existing mitigating factors and potential upsides to the budgets the Trustees are confident that the Group and Company can continue in operational existence to the end of February 2024. For these reasons, the Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

INCOME

Income is recognised when the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Income from government and other grants, including financial support through Coronavirus Business Interruption Loans and the Coronavirus Job Retention Scheme, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from gate admissions is recognised at point of entry. Income from the sale of annual passes is deferred and recognised evenly over the period that the pass is valid. Income from legacies is recognised at the point of receipt.

DONATED SERVICES AND FACILITIES

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

ACCOUNTING POLICIES (continued)

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis net of value added tax.

Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in the trading activities of the retail and catering functions.
- Expenditure on charitable activities includes costs associated with animals, education and conservation and includes both the direct costs and support costs relating to these activities.
- Support costs include central functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Zoo's activities. Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at historical cost less accumulated amortisation.

Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets over their estimated useful lives as follows:

IT software- 10% - 33% per annum

TANGIBLE FIXED ASSETS AND DEPRECIATION

The zoo's land and buildings has been revalued at adjusted depreciation replacement cost as at 31st December 2021, excluding assets under construction. The previous revaluation was performed as at 31st December 2018. Both revaluations were conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net difference between the written down value and the revaluation as each point in time has been recorded within the revaluation reserve. The difference between the depreciation based on the revalued carrying value and the depreciation based on the original cost is released from the revaluation reserve to other unrestricted funds each year.

ACCOUNTING POLICIES (continued)

Depreciation of fixed assets are charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost. Assets in the course of construction are disclosed separately at a value equal to costs incurred to date. Once completed, they are reclassified and depreciated using the Group's depreciation policy below. No residual values are typically considered.

Zoo's freehold land and buildings revalued as at 31/12/2021	Variable dependant on component's life
Tools, plant and equipment	-10% - 20% per annum
Furniture and equipment	-10% - 15% per annum
Motor vehicle	-10% - 20% per annum
IT equipment	-10% - 25% per annum

Assets in the course of construction are transferred to the relevant asset category on the date of completion and depreciated from that date.

IMPAIRMENT

The carrying amounts of assets are reassessed when impairment indicators are present. An impairment loss would be recognised to the extent the carrying amount of an asset exceeds its estimated recoverable amount. The estimated recoverable amount is reviewed at subsequent balance sheet dates where further information is available.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less costs of disposals.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ZOO ANIMALS

Most of the Zoo's animals are part of international breeding programmes and are "on loan" and as such, are not owned by Twycross Zoo. No valuation is made of the animal collection at the end of each year. Where appropriate, purchases and sales appear in the financial statements as revenue items in the year in which they arise.

ACCOUNTING POLICIES (continued)

LEASED ASSETS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the Statement of Financial Activities (SOFA) based upon the effective interest method.

TAXATION

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Its trading company usually donates the whole of its taxable profits to the Society each year, and tax relief is granted on the transfer if it is completed in compliance with current tax legislation.

RETIREMENT BENEFITS

The Charity runs a stakeholder pension scheme. The amount charged in respect of pension costs is the employer's contributions payable for the year. The pension scheme is a defined contribution scheme.

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

INVESTMENTS

Investments in the Company's' accounts relate to holdings in its subsidiary and are carried at cost.

RECOGNITION OF LIABILITIES

Liabilities are recognised when there is a legal or constructive obligation.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

The zoo's land and buildings are revalued at adjusted depreciation replacement cost which relies upon estimates around both the value of land in the current market as well as estimates around cost to replace the building assets held. These valuations are based on valuations performed by an independent valuation expert and ultimately approved by the Trustees.

As all tangible fixed assets are carried at either cost less depreciation or revaluation less depreciation, there is also a critical estimate associated with the useful economic lives associated with those assets. The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives, such as changes in technology. The useful lives will also depend on the future performance of the assets as well as management's judgement of the period over which economic benefits will be derived from the assets.

The defined benefit obligation is accounted for using a method that relies on actuarial assumptions to estimate the liability for inclusion in the financial statements. These actuarial assumptions include discount rates, inflation rate and mortality rates

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2021

Notes to the Accounts

1. COMPARATIVE SOFA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ending 31 December 2020

	2020			Total £
	Unrestricted £	Restricted £	Endowment £	
INCOMING RESOURCES				
FROM GENERATED FUNDS				
Voluntary				
Donations & Gifts	449,439	-	-	449,439
CHARITABLE ACTIVITIES				
Life Science, Education and Conservation Welfare	6,443,066	500	-	6,443,566
Activities For Generating Funds				
Retail & Catering	2,624,400	-	-	2,624,400
Government Business Support Grants	403,953	-	-	403,953
Investment Income	5,525	-	-	5,525
TOTAL INCOMING RESOURCES	9,926,383	500	-	9,926,883
RESOURCES EXPENDED				
COST OF GENERATING FUNDS				
Retail & Catering	(1,714,500)	-	-	(1,714,500)
CHARITABLE ACTIVITY				
Life Science, Education and Conservation Welfare	(7,708,207)	(132,524)	-	(7,840,731)
GOVERNANCE COSTS	(42,215)	-	-	(42,215)
CORPORATION TAX	(39,727)	-	-	(39,727)
TOTAL RESOURCES EXPENDED	(9,504,649)	(132,524)	-	(9,637,173)
NET INCOMING/(OUTGOING) RESOURCES	421,734	(132,524)	-	289,710
Other recognised gains and losses				
Actuarial loss on revaluation of pension liability	(60,000)	-	-	(60,000)
NET MOVEMENT IN FUNDS	361,734	(132,024)	-	229,710
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	20,238,108	2,949,030	100,000	23,287,138
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	20,599,842	2,817,006	100,000	23,516,848

Notes to the Accounts (continued)

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations & Gifts	300,545	372,095
Legacies	<u>22,685</u>	<u>77,343</u>
	<u>323,230</u>	<u>449,439</u>

3. CHARITABLE ACTIVITIES

Life Science, Education and Conservation Welfare		
	2021	2020
	£	£
Unrestricted Income		
Gate Admissions and Donations	5,660,257	5,204,575
Gift Aid	426,501	582,508
Membership and adoptions	600,548	471,011
Educational visits	300	7,338
Other Income	<u>185,057</u>	<u>177,633</u>
	6,872,663	6,443,066
Restricted Income		
Research and Conservation Grants	11,319	500
	<u>6,883,982</u>	<u>6,443,566</u>

Notes to the Accounts (continued)

4. RETAIL AND CATERING

	2021	2020
	£	£
Turnover	3,168,369	2,670,985
Cost of Sales	(1,730,043)	(1,500,378)
Gross Profit	<u>1,438,326</u>	<u>1,170,607</u>
Administrative Expenses	(539,954)	(492,162)
Corporation Tax	-	(39,727)
Net Profit	<u>898,372</u>	<u>638,718</u>
Reconciliation to SOFA		
Cost of sales	1,730,043	1,500,378
Administrative Expenses	539,954	492,162
	<u>2,269,997</u>	<u>1,992,540</u>
Less rent payable to parent	(323,544)	(262,440)
Less auditors remuneration analysed as governance costs	(17,600)	(15,600)
Less other costs recharged		
	<u><u>1,928,853</u></u>	<u><u>1,714,500</u></u>

Notes to the Accounts (continued)

5. ANALYSIS OF TOTAL EXPENDITURE

	Retail & Catering Costs	Life Science, education and conservation welfare costs	2021 Total Costs	2020 Total Costs
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				£
Life Science	-	503,838	503,838	438,158
Building Expenses	-	1,823,805	1,823,805	1,514,860
Retail & Catering	1,730,043	-	1,730,043	1,500,378
Advertising & Publicity	-	690,690	690,690	639,379
Legal & Professional	6,400	184,884	191,284	101,403
	<u>1,736,443</u>	<u>3,203,217</u>	<u>4,939,660</u>	<u>4,194,177</u>
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Staff Costs	173,316	2,546,540	2,719,856	2,841,030
Office Expenses	19,094	785,632	804,726	820,747
Irrecoverable Vat	-	713,032	713,032	255,615
Depreciation & amortisation	-	1,210,488	1,210,488	1,138,144
Finance Costs	-	368,159	368,159	305,518
	<u>192,410</u>	<u>5,623,851</u>	<u>5,816,261</u>	<u>5,361,054</u>
2021 Totals	<u>1,928,853</u>	<u>8,827,068</u>	<u>10,755,921</u>	<u>9,555,231</u>
2020 Totals	<u>1,714,500</u>	<u>7,840,731</u>	<u>9,555,231</u>	

Notes to the Accounts (continued)

6. NET INCOME

	2021	2020
	£	£
Net income is stated after charging:		
Operating lease rentals		
- plant and machinery	45,936	48,538
Auditors' remuneration		
- for audit services	47,000	41,700
- for non-audit services – tax advice	11,250	-
Depreciation of tangible fixed assets		
-leased assets	14,351	14,351
-owned assets	1,135,537	1,115,190
Amortisation of intangible assets	60,600	69,878
Cost of stock recognised as an expense	<u>539,961</u>	<u>418,661</u>

7. INTEREST EXPENDITURE

	2021	2020
	£	£
Interest on bank loans and overdrafts	319,772	236,609
Other bank, interest and finance lease charges	43,387	61,910
Pension net interest expense (note 25)	5,000	7,000
	<u>368,159</u>	<u>305,518</u>

Notes to the Accounts (continued)

8. TAXATION

	2021	2020
	£	£
Current tax:		
UK corporation tax on profits of period	-	-
Factors affecting tax charge for the period	-	-
<p>The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.</p>		
Profit on ordinary activities of Zoo Park (Twycross) Ltd	898,372	678,455
Tax at 19% (2019: 19%) on profit	170,691	128,906
Exempt under gift aid	<u>(170,691)</u>	<u>(89,179)</u>
Corporation Tax	<u>-</u>	<u>39,727</u>

During 2020, the trading subsidiary, Zoo Park (Twycross) Limited, did not make the necessary transfer of funds to the charitable parent under statutory provisions for Gift Aid. Zoo Park (Twycross) Limited was charged Corporation Tax at a rate of 19% on £209k, being the difference between the profit for the year in 2019 and the qualifying transfer.

Notes to the Accounts (continued)

9. DIRECTORS AND EMPLOYEES

DIRECTORS AND EMPLOYEES

Group staff costs:	2021 £	2020 £
Wages and salaries	2,360,276	2,721,988
Social security costs	180,812	198,712
Pension costs	101,554	103,475
	<u>2,642,642</u>	<u>3,024,175</u>

Higher paid employees Salary Range	2021	2020
£150,000 - £159,999	-	1
£140,999 - £150,000	-	-
£130,000 - £139,999	1	-
£120,000 - £129,999	-	-
£110,000 - £119,999	-	1
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1

Pension and National Insurance Contributions of £42,251 (2020: £59,525) were paid in respect of these employees.

Average monthly number of employees, based on headcount, including directors.

Average monthly number of employees, based on head count including directors:-	2021 No.	2020 No.
Education	6	9
Resources	14	20
Visitor services	33	34
Retail	16	17
Keepers	51	54
Vets	3	3
	<u>123</u>	<u>137</u>

Notes to the Accounts (continued)

10. TRUSTEES

No remuneration was paid to the Trustees, and none are accruing benefits under pension schemes (2020: £nil)

During the year 5 (2020: 4) Trustees were reimbursed expenses of £1,675 (2020: £929), relating to travel and accommodation costs.

The key management personnel of the group comprise those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including pension and employer's national insurance contributions amounted to £329k (2020: £415k).

11. INTANGIBLE ASSETS

	IT Software £	Total £
Cost		
1st January 2021	227,203	227,203
Additions	5,107	5,107
Disposals	(109,608)	(109,608)
31st December 2021	<u>122,702</u>	<u>122,702</u>
Amortisation		
1st January 2021	146,551	146,551
Charge for the year	60,600	60,600
Disposals	(109,608)	(109,608)
31st December 2021	<u>97,543</u>	<u>97,543</u>
Net Book Value		
31st December 2021	<u>25,159</u>	<u>25,159</u>
31st December 2020	<u>80,652</u>	<u>80,652</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Tools, Plant & Equipment	Furniture & Equipment	Motor Vehicles	IT Equipment	Assets Under Construction	Total
	£	£	£	£	£	£	£
Cost							
1st January 2021	27,856,029	978,963	1,369,225	23,657	401,647	487,210	31,066,731
Additions	761,329	13,051	129,603	-	19,162	3,435,793	4,358,938
Transfers	-	-	-	-	76,291	(76,291)	-
Revaluation	541,602	-	-	-	-	-	541,602
31st December 2021	29,158,960	942,014	1,498,828	23,657	497,100	3,846,712	35,967,271
Depreciation							
1st January 2021	1,773,508	612,480	799,505	23,657	327,042	-	3,536,192
Charge for the year	924,508	35,295	102,756	-	87,329	-	1,149,888
Revaluation	(2,698,016)	-	-	-	-	-	(2,698,016)
31st December 2021	-	647,775	902,261	23,657	414,371	-	1,988,064
Net Book Value							
31st December 2021	29,158,960	294,239	596,567	-	82,729	3,846,712	33,979,207
31st December 2020	26,082,521	316,483	569,720	-	74,605	487,210	27,530,539

The net book value of tools, plant and equipment includes assets held under finance leases costing £144k (2020: £144k) which incurred depreciation of during the year ended 31 December 2021 £14k (2020 £14k). The zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31 December 2021. Some assets previously capitalised as Land and Buildings are now being used as part of The Gruffalo Discovery Land and are therefore considered part of that overall assets which remains under construction. These relevant buildings remain in Land and Buildings but have been excluded from the revaluation exercise for this year. This revalued current Land and Buildings at £28,905k. The net difference of £3,240k between the 2021 written down value and the revaluation as at 31 December 2021 has been credited to the revaluation reserve in the accounts. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net book value of freehold land and buildings includes £1,179k (2020: £1,211k) relating to the Tiger enclosure asset which incurred depreciation of £32k during the year ended 31 December 2021 (2020: £70k), and was revalued at £1,659k.

Twycross Zoo - East Midland Zoological Society Limited

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Notes to the Accounts (continued)

13. INVESTMENTS

GROUP	2021	2020
	£	£
Listed Investments	-	-
COMPANY	2021	2020
	£	£
Investment in Subsidiary Company	72,500	72,500

The company owns 9,600 £1 ordinary shares in Zoo Park (Twycross) Limited ("Zoo Park") (company number 709915) being the whole of the issued share capital of that company. Zoo Park (Twycross) Limited is incorporated in, and operates in, the United Kingdom. Its principal activity is the provision of catering and leisure services.

Zoo Park's turnover for the year is £3,118k (2020: £2,624k) and its expenditure is £2,220k (2020: £1,946k).

The Trustees consider that the underlying value of its investment in the subsidiary company is not materially different to its cost of £73k.

The subsidiary company has a payable of £298k (2020: £639k), under gift aid to the parent company.

The subsidiary company's retained profit for the financial year is £Nil (2020: profit £nil) and its capital and reserves at 31 December 2021 are £527k (2020: £527k).

14. STOCKS

GROUP	2021	2020
	£	£
Giftshop & Guides	134,883	125,549
	<u>134,883</u>	<u>125,549</u>

The Company has no stock at the year end (2020: £nil).

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2021

Notes to the Accounts (continued)

15. DEBTORS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts owed by subsidiary	-	-	203,474	689,569
Trade debtors	4,412	21,381	4,412	21,381
Other Debtors	115,828	828,590	3,848	386,580
Prepayments & Accrued Income	196,357	145,933	196,357	145,933
	<u>316,597</u>	<u>995,904</u>	<u>408,091</u>	<u>1,243,463</u>

Included within other debtors are VAT receivables of £19k (2020: £69k).

16. CREDITORS: Amounts falling due in less than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
CBIL Loan	-	300,000	-	300,000
Bank Loans	280,979	-	280,979	-
Finance Leases	27,976	69,566	27,976	69,566
Trade Creditors	354,286	573,051	262,598	306,337
Other Taxation & Social Security	43,409	72,250	43,409	32,523
Accruals & Deferred Income	1,118,382	1,059,005	991,150	886,898
Capital creditor	121,818	118,270	121,818	118,270
	<u>1,946,850</u>	<u>2,192,142</u>	<u>1,727,930</u>	<u>1,713,594</u>

Included within tax and social security are pension contributions of £12k (2020: £19k). Included within accruals is deferred income relating to the sales of annual membership passes. Due to Covid, annual membership passes were extended for a period equivalent to the closure of the zoo. The value of memberships included in income earned from charitable activities during the current year is £601k (2020: £471k) and the amount deferred is £325k (2020: £379k).

Notes to the Accounts (continued)

17. CREDITORS: Amounts falling due in more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
CBIL LOAN	4,300,000	2,700,000	4,300,000	2,700,000
Pension Creditor	392,000	421,000	392,000	421,000
Finance Lease Obligations	36,947	62,681	36,947	62,681
Bank Loans	5,283,135	5,565,232	5,283,135	5,565,232
Capital Creditor	885,965	1,007,787	885,965	1,007,787
	<u>10,898,047</u>	<u>9,756,700</u>	<u>10,898,047</u>	<u>9,756,700</u>

Bank loans relates to £5,700k borrowed from Metro bank in 2019. The average rate of interest on this loan during the year was 3.15% (2020 3.25%). In 2019 interest payments of £88k were suspended and added to the principle borrowed. Monthly capital repayments commence in June 2022 with final payment in 2039.

In March 2021 the Company repaid a Coronavirus Business Interruption Loan of £3m, the interest on this loan was covered by a COVID Business Interruption Support Grant. The amount of grant received in the year was £24k (2020: £51k). In March 2021 the company borrowed £4,300k from Metro Bank with capital repayment commencing in March 2023 at a rate of 3% above the Bank of England base rate. The interest on this loan is covered by a COVID Business Interruption Support Grant for the first 12 months. The amount of grant received in the year was £116k. The final payment will be made in 2027.

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Under one year	1,946,850	2,192,143	1,727,930	1,713,594
Between two and five years	1,751,707	3,728,726	1,751,707	3,728,726
Over five years	9,146,340	6,027,974	9,146,340	6,027,974
	<u>12,844,897</u>	<u>11,948,843</u>	<u>12,625,976</u>	<u>11,470,294</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

18. FUNDS

ENDOWMENT FUND

1st January 2021 and 31st December 2021 £
100,000

UNRESTRICTED FUNDS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Designated Funds				
1st January	17,543,478	17,123,410	17,543,478	17,123,410
Transfer to Designated funds from Other Unrestricted Funds	(101,942)	420,068	(101,942)	420,068
31st December	<u>17,441,536</u>	<u>17,543,478</u>	<u>17,441,536</u>	<u>17,543,478</u>
Fixed Assets	16,074,436	16,176,378	16,074,436	16,176,378
Conservation Welfare	<u>1,367,100</u>	<u>1,367,100</u>	<u>1,367,100</u>	<u>1,367,100</u>
	<u>17,441,536</u>	<u>17,543,478</u>	<u>17,441,536</u>	<u>17,543,478</u>

The Conservation Welfare Fund is to provide grants to wildlife conservation and/or welfare projects.

During 2019, the Trustees implemented a policy to establish a designated fund relating to tangible fixed assets. Establishing this designated fund reflects the Group's net assets are largely attributed to capitalised tangible fixed assets, which do not provide free funds which are available for use. The policy requires that an amount which equates to approximately three months of unrestricted spending expenditure is maintained in free reserves and is not designated. The carrying value of tangible fixed assets at 31 December 2021 was £33,979k (2020: £27,531k), see note 12. A reconciliation between total funds and the significant components of net assets is provided in note 20. During 2021 £102k have been transferred to "Other Unrestricted Funds" from "Designated Funds" (2020: £420k transferred from "Other Unrestricted Funds" to "Designated Funds"), resulting in total "Other Unrestricted Funds" of £1,204k and £750k for the Group and Company respectively (2020: £1,204k and £750k).

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

Note 18 (Continued)

Revaluation Reserve	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
1st January	1,852,240	1,910,574	1,852,240	1,910,574
Revaluation during the year	3,239,618	-	3,239,618	-
Annual Transfer from Revaluation Reserve to Other Unrestricted Funds	(58,334)	(58,334)	(58,334)	(58,334)
31st December	<u>5,033,524</u>	<u>1,852,240</u>	<u>5,033,524</u>	<u>1,852,240</u>

Other Unrestricted Funds

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
1st January	1,204,124	1,204,124	750,000	750,000
Net surplus for the year	(194,276)	421,734	(194,276)	421,734
Actuarial Gain / (Loss) on revaluation of pension liability	34,000	(60,000)	34,000	(60,000)
Transfer from Revaluation Reserve	58,334	58,334	58,334	58,334
Transfer from / (to) Designated Funds - Fixed Assets	101,942	(420,068)	101,942	(420,068)
31st December	<u>1,204,124</u>	<u>1,204,124</u>	<u>750,000</u>	<u>750,000</u>
Total unrestricted funds	<u>23,679,184</u>	<u>20,599,842</u>	<u>23,225,061</u>	<u>20,145,718</u>

RESTRICTED FUNDS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
1st January	2,817,006	2,949,030	2,817,006	2,949,030
Income in the year	11,319	500	11,319	500
Expended in the year	(102,463)	(132,524)	(102,463)	(132,524)
31st December	<u>2,725,862</u>	<u>2,817,006</u>	<u>2,725,862</u>	<u>2,817,006</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

Note 18 (Continued)

	1st January 2021	Income	Expenditure	31st December 2021
Himalaya	2,275,000	-	75,000	2,200,000
Changing Places Grant	53,205	-	2,193	51,012
LLEP SME Growth Fund	488,301	-	13,951	474,350
International Zoo Management Project	-	11,319	11,319	-
Other	500	-	-	500
	<u>2,817,006</u>	<u>11,319</u>	<u>102,463</u>	<u>2,725,862</u>

Himalaya

Twycross Zoo was awarded a grant of £3,000,000 by the East Midlands Development Agency towards the construction of a new visitor welcome centre. 'Himalaya' is a landmark project for the East Midlands region. The value of the building is held in Fixed Assets and the fund is amortised over the buildings estimated useful life.

Changing Places Grant Fund

The Changing Places Grant Fund was provided to fund some specific capital expenditure incurred during 2018 and is being amortised over its useful life.

LLEP SME Growth Fund

The Zoo Development Fund represents amounts received from Leicester and Leicestershire Enterprise Partnership to support the Trustees' master plan to develop the zoo infrastructure. The funds were expended on fixed assets during the 2015 financial year. The fund is amortised over the estimated useful life of the assets.

International Zoo Management Project

This is an Erasmus+ funded programme dedicated to the development of higher-level training in international zoo management. The project brings together the zoo with the higher education sector to develop a structured training programme that blends the applied/experiential-based knowledge of the zoo sector with the rigour of Higher Education-based pedagogy and research. The outcome will be a defined training curriculum incorporating three specific training modules that target International zoo welfare and management, International management of zoo-based conservation, and ethical and legal issues with international zoo management.

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

19. RECONCILIATION OF FUNDS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
(Deficit)/Surplus for the year	(285,420)	289,710	(285,420)	289,710
Actuarial gains/(losses) on revaluation of pension liability	34,000	(60,000)	34,000	(60,000)
Gains on revaluation of fixed assets	3,239,618	-	3,239,618	-
Opening funds	<u>23,516,848</u>	<u>23,287,138</u>	<u>23,062,724</u>	<u>22,833,014</u>
Closing funds	<u>26,505,046</u>	<u>23,516,848</u>	<u>26,050,923</u>	<u>23,062,724</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted funds £	Endowment fund £
Intangible fixed assets (note 11)	25,159	-	-
Tangible fixed assets (note 12)	31,153,345	2,725,862	100,000
Cash at bank and in hand	4,894,097	-	-
Other net current assets/(liabilities)	(1,495,370)	-	-
Long term liabilities (note 17)	(10,898,047)	-	-
	<u>23,679,184</u>	<u>2,725,862</u>	<u>100,000</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no guarantees or financial commitments at 31 December 2021 (2020: £nil)

22. CASHFLOW

RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net (outgoing)/incoming resources	(285,420)	289,710
Depreciation & amortisation	1,210,488	1,199,419
Amortisation of loan arrangement fees	10,985	28,765
Movement in stocks	(9,334)	(28,453)
Movement in debtors	679,307	(6,808)
Movement in creditors	(183,228)	285,556
	<u>1,422,798</u>	<u>1,768,189</u>

Analysis of Cash and Cash Equivalents

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	<u>6,733,046</u>	<u>(1,838,949)</u>	<u>4,894,097</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2021

Notes to the Accounts (continued)

23. RELATED PARTY TRANSACTIONS

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited ("Zoo Park")

Transactions with Zoo Park were as follows:

	2021	2020
Zoo Park profit gift aided to parent	898,372	638,718
Intercompany rent and other recharges	323,544	262,440

Dr Sharon Redrobe, CEO, was appointed a director of her wife's company, Little Soap Company Limited, on 27 April 2020. During the year Zoo Park purchased goods for resale on normal commercial terms to the value of £1,016 (2020: £1,349) from Little Soap Company Limited. There are no balances outstanding at the end of the year.

24. CONTINGENCIES

There are no contingent liabilities at the 31 December 2021 (2020: £ nil).

Notes to the Accounts (continued)

25. PENSION LIABILITIES

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

Principal actuarial assumptions at the balance sheet date

	Year to 31 December	
	2021	2020
Discount rate	1.80%	1.30%
RPI price inflation	n/a	n/a
CPI price inflation	n/a	n/a
Mortality (pre and post retirement)	S3PXA light table with future improvements in line with the CMI 2020 projection model were used with a long term trend rate (LTTR) of 1.5% pa (2020: 2018 projection model, also with LTTR of 1.5%)	
The amounts recognised in the statement of financial position	£	£
EFRBS unfunded Liability	392,000	421,000
The amounts recognised in the statement of financial activities	£	£
Net Interest Cost	5,000	7,000
The amounts recognised in the statement of other comprehensive income	£	£
Actuarial gain/(loss) on EFRBS Unfunded Liability	34,000	(60,000)
Sensitivity analysis	Increase in Liability	
	2021	2020
	£	£
Discount rate decreased by 0.1%	7,000	8,000
Life expectancy increased by one year	11,000	12,000

The above sensitivity analysis is based on isolated changes in each assumption whilst holding all other assumptions constant. In practice, that is unlikely to occur and there is likely to be some level of correlation between the movements in different assumptions.

For the year ended 31 December 2021, the total amount of actuarial re-measurement gain/(loss) recorded in Other Recognised Gains/Losses (other comprehensive income) was £34k (2020:(£60k)). The net interest expense recognised in Total Expenditure was £5k (2019: £7k).

26. POST BALANCE SHEET EVENTS

There have been no post balance sheet events up to the point of signing the accounts.

TWYCROSS ZOO-EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

England & Wales - Charity number 501841

Accounts



Twycross Zoo - East Midland Zoological
Society Limited
(limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2020

Company Number 1060956
Registered Charity Number 501841

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2020

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Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2020

ADMINISTRATION, OFFICERS AND ADVISORS

REGISTERED OFFICE

Norton Grange
Norton-Juxta-Twycross
Atherstone
Warwickshire, CV9 3PX

REGISTERED NUMBER

1060956

CHARITY NUMBER

501841

COMMITTEE (TRUSTEES)

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are:

Rt. Hon. G W Hoon (Chairman)

G C W England,

J P Helas

D J Keep

G A Middleton

H J Mitchell

J Thornell

L A Wall

H S Dua

E A Hardwick-Smith

D J Meek

T B Payne

Resigned 28 June 2021

Resigned 28 June 2021

Appointed 15 July 2021

Appointed 28 June 2021

Appointed 28 June 2021

Appointed 28 June 2021

KEY MANAGEMENT PERSONNEL

S Redrobe OBE

L Biffin

K Clarke

Chief Executive and Company Secretary

Appointed Company Secretary 1 September 2020

Chief Finance Officer and Company Secretary

Resigned 11 August 2020

Chief Operations Officer

AUDITOR

Ernst & Young LLP

1 Colmore Square

Birmingham

B4 6HQ

BANKERS

Metro Bank plc

Southampton Row

London

WC1B 5HA

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2020

REPORT OF THE TRUSTEES

The Trustees present their annual report and the audited financial statements for the year ended 31 December 2020.

CONSTITUTION

Twycross Zoo – East Midland Zoological Society Limited ("Twycross Zoo" and "the Zoo") is a private company limited by guarantee (incorporated in England and Wales with company registration number 1060956) governed by adopted Articles of Association as amended 24 June 2019. The Trust is also constituted as a registered charity with the Charity Commission – charity registration number 501841.

The Board of Trustees ("the Board") confirm that the financial statements comply with current generally accepted accounting principles and those of the governing documents.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The board of directors are the trustees of the charity supported by the executive management team who together comprise the key management personnel of the charity. The executive management team are in charge of directing and controlling, running and operating the Zoo on a day to day basis. All Trustees give their time freely and no registered director received remuneration in the year.

Method of appointment, induction and training of Trustees

The Board appoint new Trustees as and when they see fit in order to maintain an appropriate range of skills and experiences amongst the members. New Trustees undergo an extensive Induction Programme and briefing sessions on the organisation, its aims and objectives. They are provided with a copy of the constitution, roles and responsibilities of being a Trustee at Twycross Zoo, most current annual statutory accounts, annual report, management accounts, the current business plan, management structures, policies relating to health & safety, equal opportunities, animal collection plan, economic impact assessment and development assessment.

Throughout the year, Trustees meet with the Chief Executive Officer and her team for regular updates regarding the performance and strategic delivery of the Zoo. In addition, Trustees attend events held during the year which gives them the opportunity to meet with management within the organisation as well as visitors to the zoo.

Indemnity Insurance

The Trust maintains indemnity insurance on behalf of its Trustees.

Organisational Structure

The Board of Trustees meet on a quarterly basis and call special General Meetings as and when these are required. In addition, the Chairman visits the Zoo regularly to review activities within the Zoo and also meets with the Chief Executive Officer on a regular basis.

Oversight is provided by a structure of Committees delegated by the main Board. These Committees include Finance and Audit & Risk who meet quarterly and Animal Conservation & Education who convene bi-annually.

The Finance Committee reviews current financial performance and ensures that future plans are properly costed and adequate funding is identified prior to being presented to the Board. The Finance Committee agrees the meeting frequency and dates in advance based on the needs of the organisation. This has resulted in meetings being held on a quarterly basis since 2019 and the Finance Committee members receiving management information on a monthly basis.

During the year the Chief Financial Officer left the company and was not replaced so the Executive Team is currently made up of the Chief Executive Officer ("CEO") and the Chief Operations Officer who reports to the CEO. The CEO is also Company Secretary. The Executive Team was charged with management of daily operations and with proposing policy to the Board of Trustees. This process was managed by quarterly Board meetings with Trustees which are formally minuted.

REPORT OF THE TRUSTEES (continued)

Pay policy for staff

All Trustees give their time freely and no trustees, with the exception of out of pocket expenses, received remuneration in the year.

The pay of staff is reviewed annually and subject to financial performance, an increase may be awarded. In view of the nature of the charity, methodology and benchmarking is gained from inside and outside the industry and similar roles are also used to assess pay and rewards. These include:

- benchmarking against pay levels in other similar organisations
- market rate analysis conducted where similar roles operate.

All staff under 21 years of age are paid in excess of the National Minimum Wage and those staff over 21 years of age are paid in excess of the National Living Wage. During 2020, pay rates were adjusted in line with minimum pay legislation (2019: 1% to 2% general pay increase). In addition, exceptional discretionary increases were made where benchmarking showed rates out of step and failing to retain staff in certain key roles would have proved a risk to the business. Where necessary a market addition is paid but limited to the highest benchmarked salary for a comparable role.

STRATEGIC REPORT

PRINCIPAL OBJECTIVES AND ACTIVITIES

The charity's principal charitable objectives include the enhancement of animal welfare, conservation, education, research and recreation for the visiting public. The group also carries out retail and catering activities to generate additional income through its subsidiary company, Zoo Park (Twycross) Limited.

The Trust owns and manages Zoological Gardens at Norton-Juxta-Twycross in Warwickshire covering an area of some 95 acres.

The Trust's aims and objectives are:

- Life Sciences - Practice professional standards of animal care and welfare and develop environmental enrichment programmes to give the animals a fulfilled life, both physically and mentally.
- Conservation - Incorporate the animals, wherever possible, into regional and global breeding programmes to aid species conservation. Support sound genetic management and co-operative policies to maintain the genetic diversity of species in its care and support appropriate field programmes and reintroduction projects.
- Education - Develop formal and informal education programmes for all sectors of society regarding wildlife and its conservation (biodiversity).
- Research - Encourage the scientific study of animals in areas that further animal welfare and conservation.
- Financial Resilience - Generate an income to fulfil the above and for the provision of facilities in the Zoo for the recreation and enjoyment, education and cultural enrichment of its visitors.

REPORT OF THE TRUSTEES (continued)

Life Sciences

The high quality of work carried out at Twycross Zoo has been recognised by the industry body, the British and Irish Association of Zoos and Aquariums (BIAZA). For the first time there was no annual BIAZA conference held in 2020, due to the unprecedented impact of the coronavirus pandemic. Twycross Zoo did however still receive five awards:

- BIAZA Gold Award in Animal Husbandry, Care and Breeding for “An institutional programme to advance wound management in primates via positive reinforcement training”
- BIAZA Silver Award in Behaviour and Welfare for “Zoo keepers develop Qualitative Behaviour Assessment tool at Twycross Zoo”
- BIAZA Silver Award in Education for “Training the next generation of wild animal health professionals”
- BIAZA Silver Award in Conservation for “Capacity building and first successful reintroduction of Geoffroy’s spider monkeys in Belize”
- BIAZA Bronze Award in Exhibits for “Return of the Tigers”

These awards recognise the diversity of the work involved in ensuring that animal welfare is at the heart of all we do, be that at Twycross Zoo or in the wider global community.

Although the financial impact of the pandemic has taken its toll on the Zoo’s ability to implement all of the expected developments and plans for 2020, work has not ground to a complete standstill. With the support of our loyal customer base, both while we were in lockdown in the first half of the year and once we were able to re-open, it has still been possible to complete some upgrades and improvements.

The Aldabran tortoise outdoor enclosure was enlarged significantly, with improved viewing opportunities for our younger visitors and the addition of a dedicated area that will enable paid for encounters to take place. On a smaller scale, while the Zoo was closed during imposed lockdowns, the animal team have used the time to refresh some of the animal enclosures.

Several vivariums for a variety of small reptile, amphibian and invertebrate species were installed in the indoor visitor area of Gibbon Forest. Once we are permitted to open indoor areas to our visitors these will provide an added extra element to this popular area.

Twycross Zoo participates in over 45 coordinated global breeding programmes and as such a number of new babies were born during 2020. The following is a selection of births that were part of European breeding programmes:

- 5 primates including:
 - 1 Diana monkey,
 - 1 dusky leaf monkey,
 - 1 Francois langur,
 - 1 variegated spider monkey
 - 1 White cheeked gibbon,
- Additional animals that were born and hatched during the year were:
 - 4 Humboldt penguins,
 - 2 Kirk’s dik-dik,
 - 1 scarlet ibis,
 - 2 Victoria crowned pigeons.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

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Year ended 31 December 2020

REPORT OF THE TRUSTEES (continued)

The Trustees remain committed to a continued programme of enclosure developments and improvements for the welfare of animals within the care of Twycross Zoo, as well as improving the enrichment activities for our animals and to promote their natural animal behaviours. Planning for upgrades to an empty ape enclosure took place during the year, ready for works to commence in 2021. Once completed this will result in a new facility for our breeding group of bonobos, the only ones in the UK.

Conservation

Twycross Zoo is fully committed to accelerating global conservation efforts via a number of approaches. The Zoo is home to many endangered species, with a large number of them being part of conservation breeding programs, which ensure that genetically viable populations continue to be effectively managed. Once again, the pandemic, with its resulting impact on the airline industry and road movement between the UK and the rest of the world, prevented many planned animal transfers as part of those programmes throughout the year. We were able to realise a small number of moves, including a 2½ year old male Eastern black rhino from Germany, an exchange of Michie's tufted deer with two other German zoos and a female vicuna from Belfast.

Twycross Zoo's commitment to species management is evident in the Zoo's continued representation at both national and international level through its involvement in key working groups and committees focusing on species management and welfare. We continue to be members of European and international organisations, including the British and Irish Association of Zoos and Aquariums (BIAZA), the European Association of Zoos and Aquaria (EAZA), the World Association of Zoos and Aquariums (WAZA) and the International Union for Conservation of Nature (IUCN). Furthermore, Twycross Zoo remains active as a conservation partner of GRASP-UN, which is the only non-human species-focused UN programme.

The Zoo's continued participation in worldwide managed species programmes, including EEP (EAZA Ex situ Programmes) and ESB (European Studbooks) ensures the continued genetic health of the animals and populations. The Zoo also co-ordinates the European breeding programme for the siamang gibbon and participates in a number of others, including for the bonobo, one of the four great apes and only kept by Twycross Zoo in the UK. The curator, Neil Dorman is an elected member of several EEP Species Committees, including for bonobo, black rhino and both Amur and snow leopard and our Veterinary Services Manager, Phillipa Dobbs is veterinary advisor of the siamang gibbon EEP.

The financial impact of Covid-19 has had a significant impact on our ability to support in-situ conservation projects during 2020. Focus had to be on maintaining the exemplary levels of animal welfare within our own collection. It was with great regret that we had to suspend payments made by The Zoo's Conservation Welfare Fund to support our conservation partners in 2020. We hope that we can match our 2019 level of funding in 2021, providing critical support to projects around the globe that are having a direct impact on species and habitat conservation.

In the early part of 2020, Twycross Zoo did manage to provide financial aid to one of our key partners, West African Primate Conservation Action (WAPCA). WAPCA are working to protect one of the IUCN's 25 key biodiversity hotspots, which cover only 1.4% of the world's surface but are home to more than 60% of all animal and plant species found on this planet. Home to seven of the most threatened primate species in the world, including the White-thighed Black & White Colobus monkey and critically endangered Roloway monkey. As Twycross Zoo is renowned for its unique primate collection it is important that we contribute to the preservation of this unique habitat and the species within it. WAPCA work to protect the Guinean forest against illegal logging, which has led to extensive deforestation and prevent extensive bush meat hunting. They also run an ex-situ breeding programme to try to maintain genetic diversity and ensure the long-term survival of these threatened primate species.

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REPORT OF THE TRUSTEES (continued)

Twycross Zoo is home to all four great ape species and one of our longstanding conservation partners is Ape Action Africa, who are responsible for the largest African sanctuary for chimpanzees and gorillas in Cameroon. We have managed to provide support through donating much needed drugs for veterinary use within the sanctuary. The sanctuary rescued orphaned apes displaced by the pet and bush meat trades. Twycross Zoo has provided both financial aid, charitable donations such as staff uniforms and drugs and veterinary and captive care expertise. During 2020 this support was restricted to charitable donations and the provision of remote expertise.

Education

Twycross Zoo has had an established education programme for over several decades which continuously grows and widens the remit to engage with all visitors so they are able to gain an appreciation of the natural world, its diversity and challenges. The Zoo's education programmes range from Early Years, through the curriculum key stages up to Master's Level programmes.

There is a long-standing partnership between the University of Nottingham and the Twycross Zoo veterinary department of over ten years and the Zoo is heavily involved in the clinical training of final year veterinary students. Twycross Zoo hosts students that take the final year elective of Zoo, Wildlife and Exotic Animal Medicine. Veterinary students have the opportunity to apply methods used during their course in a practical setting, including collecting data and conducting animal welfare audits.

To complement the relationship with the University of Nottingham Vet School, Twycross Zoo also supports the veterinary nurse programme of Nottingham Trent University. Launched in 2018 this relationship continues to strengthen with Twycross Zoo providing clinical training and placements for veterinary nurse students.

Twycross Zoo also offers specialist teaching for undergraduate and masters level students. Current provision includes contributing to the MSc in Primate Behaviour and Conservation (University of Wolverhampton); MSc in Endangered Species (Nottingham Trent University) and MSc Animal Nutrition (University of Nottingham).

In partnership with the University of Wolverhampton, Twycross Zoo is the lead industry partner for the Erasmus plus funded InterZoo partnership. There are 3 university partners and 3 zoo partners from across Europe, bringing together expertise to develop a formal international post graduate professional qualification. As part of a two-year programme Twycross Zoo are leading the development of the International Management of Zoo based conservation alongside the University of Wolverhampton. This is a great opportunity for Twycross Zoo to lead the way in terms of providing continuous professional development across the zoo sector.

Under the auspices of the European College of Zoological Medicine, an additional veterinary specialist training programme is also in place; the Zoo is currently training two veterinary residents, both due to complete this year.

In 2020, 4,000 people (2019: 41,000) attended a formal taught programme. This decline in numbers is reflecting multiple local and national lockdowns experienced in 2020. Such circumstances stimulated us to move our delivery of formal and informal education online, delivering virtual school sessions and developing educational content for our social media platforms and Zoo website, thus still reaching thousands with our conservation message.

Our programmes are developed to be curriculum and syllabi linked; with a number of tertiary education providers choosing the Zoo as an educational element of their specialised programmes. The Zoo also started a successful home educator programme, in which it is now able to connect with a previously unavailable group of pupils and their parents. This programme was developed around the national curriculum and the specific needs and expectation of home educating families.

REPORT OF THE TRUSTEES (continued)

The Zoo delivers to all stages of education's National Curriculum through a range of informal and formal environmental educational programmes for Zoo visitors, pre-school, primary, secondary and tertiary students, teachers and lecturers, community groups and external parties through outreach.

Twycross Zoo's award-winning Education programme offers a variety of discovery opportunities for all ages. Due to pandemic, we were unable to renew the Learning Outside the Classroom Quality Badge, that we now aim to renew for 2021 when we can start teaching again. We are a member of the International Zoo Educators Association. In addition to the curriculum offer, there is also a range of "out-of-school" learning activities for ages 8 to young adults via "Zooniversity", "Wildlife Warriors", "Conservation Rangers" and "Zoo Club".

In 2020, our Education department was able to publish two separate articles under the International Zoo Educators Association, one in IZE Journal and one as part of their newly introduced online IZE articles category.

The pandemic led to the cancellation of our programme of interactive conservation talks in 2020. Many of these are delivered by special guests including our conservation and university partners. As we build capacity in 2021 and restrictions lift we will look to relaunch this important public engagement with science programme.

Informal public educational talks are also an engagement means delivered via a series of daily talks throughout the day, throughout the Zoo and via our website and social media. During 2019, over 80,000 visitors attended the informal educational talks and a further 52,000 visited our staffed enclosures for a close encounter with some of our animals. Sadly, once 2020 pandemic-related restrictions were put in place, we were unable to deliver public educational talks, but we continued to engage with the public in our staffed enclosures while the Zoo remained open.

2020 has had a detrimental impact on zoo-based education. Despite all that, we persisted and explored multiple options of continuing to offer virtual school sessions, putting even more educational weight into our social media and website content. Public educational talks and staffed enclosures engagement for our visitors have started in 2021, following Government guidelines and we continue to engage with our different audiences via our social media and upskill our staff so they can provide valuable learning opportunities.

Research

Twycross Zoo has continued to support research as far as possible throughout the pandemic, which has also allowed for some novel research activities to take place. Working with Nottingham Trent University and Harper Adams University in a multi-zoo study Twycross Zoo conducted research into the impact of the absence of visitors and subsequent reintroduction of visitors post lockdown on zoo animals. The paper attracted the imagination of the world press and will be followed by a further publication focusing on different species.

In 2020 Twycross Zoo participated in 33 research projects across a wide range of scientific disciplines including veterinary science, conservation genetics, conservation science, animal behaviour and welfare and ape cognition. Of these projects, 16 were at Bachelor's degree level (2019:26), 7 at Master's level (2019:14) and 3 at PhD level (2019:5). The remaining projects were part of funded research projects including a Leverhulme funded project with Birkbeck University London in a new collaboration. Covid-19 significantly reduced our capacity for research in 2020, with several projects experiencing significant delays. Research at Twycross Zoo in 2020 has resulted in 6 scientific publications in peer reviewed journals (2019:8), 3 conference presentations (2019: 33) and 1 poster presentation.

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REPORT OF THE TRUSTEES (continued)

Twycross Zoo has continued to support high quality impactful research, by investing in collaborative PhD activity. Twycross Zoo is co-supervisor of 2 current PhD students launched in 2019 with the University of Leicester and University of Wolverhampton. The first is focused in conservation genetics to combat the illegal wildlife trade and the latter focused on novel enrichment to improve the welfare of captive primates. Twycross Zoo has pledged further support for the University of Nottingham this year by funding a PhD student through the Research Council's Industrial Collaborative Award in Science and Engineering (ICASE). This is a high profile award primarily funded by the Research Council which supports knowledge exchange between academia and industry. This study will contribute to the work of the Ape Heart project by looking at the links between ape heart health and Vitamin D levels.

Twycross Zoo continues to lead the Ape Heart Project for the benefit of apes in the European Association of Zoos and Aquaria (EAZA). The AHP continues to contribute internationally leading research to the topic of ape heart health, publishing 3 book chapters and 1 peer reviewed journal article in 2020. The programme is Chaired by Twycross Zoo's Dr Sharon Redrobe OBE with Clinical Lead of Phillipa Dobbs and partners with the University of Nottingham and the University of Birmingham supported by; Dr Mike Martin, MVB, DVC, MRCVS; PhD student Sophie Moittie, LicVet, MRCVS; Professor Kate White MA VetMB DVA Dipl ECVA MRCVS; Clinical Associate Professor Kerstin Baiker Dr.med.vet, Dipl ECVP, MRCVS, SFHEA and Dr Melissa Grant, PhD, SFHEA.

The Zoo continues to run the joint veterinary Doctorate of Veterinary Medicine (PhD level training) programme with the University of Nottingham School of Veterinary Medicine and Science, which encompasses clinical and research elements. The current PhD student, Sophie Moittie is in her final year but this programme will continue to build research capacity and support to the Ape Heart Project.

Twycross Zoo continues to build relationships to support science led research that will ultimately help preserve and protect endangered species both within ex-situ and ex-situ conservation settings. Twycross Zoo has maintained several Memorandum's of Understanding (MoU) with university partners in a bid to build more strategic links, these include the University of Nottingham, University of Birmingham, Nottingham Trent University, University of Leicester, University of Wolverhampton and more recently Keele University. In 2020 Twycross Zoo continued to align itself with University partners that could support future strategic goals. A relationship with Oxford Brookes University, who have a strong primate focus has been developed, with a particular interest in collaboration around the future National Science and Conservation Centre Development. We are also working with Harper Adams, who in partnership with Keele University launched the Harper Keele Veterinary School in 2020.

The Zoo's on-site research facilities include a library and information technology with standard software, internet access as well as access to zoo animal records and a database of zoo-specific documents such as studbooks.

Financial

See also Financial Review Section

Twycross Zoo experienced very difficult trading conditions in 2020 due to closures caused by the pandemic. The financial resilience that had been built up in the preceding years was put to the test. The Zoo accessed Government support through Covid Business Interruption Loans and the Covid Job Retention Scheme, with over £400k of government support received.

Although the requirements of the animals under our care did not change and the costs remained constant, the reduction in the number of visitors from 648k in 2019 to 415k in 2020 had a severe impact on income. Staff in customer facing operations were furloughed and other cost reducing measures were introduced, including the postponement of major investment in new attractions. Support was also received from key suppliers who were able to suspend regular charges for short periods during the height of the pandemic. The support from the public through the later months of the year through online retail and membership purchases and other fundraising and donations was vital to the sustainability of the zoo.

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REPORT OF THE TRUSTEES (continued)

Overall, income including Government Support was £9.9m (2019: £11.8m). The net surplus is £290k (2019: £515k) The Total Funds increased in the year by £230k (2019: £433k) to £23.5m (2018: £23.3m).

PUBLIC BENEFIT

The launch of Twycross Zoo's 2030 vision at the House of Lords in October 2019, reinforced Twycross Zoo's commitment to the conservation and sustainability of our planet that we share with other animals.

The initiatives to reduce waste on the Zoo site started in 2019 continued to focus on reducing plastic waste and conserving other natural resources.

The programme of engagement with international conservation projects was significantly reduced by the financial and travel limitations imposed by the Covid pandemic restrictions, but Zoo staff continued to raise awareness of the plight of endangered species through various communication channels.

Twycross Zoo partnerships will continue with a number of in-situ projects, including:

- Ape Action Africa (AAA) based in Cameroon, which rescues confiscated primates, working closely with the Cameroonian Government. AAA cares for over 300 primates including chimpanzees and gorillas. We support this charity with donations, medicines and importantly also visits from our specialist vets and ape specialists, in order to support and train AAA staff and assist in the project's work.
- Fauna and Flora; Cao Vit Gibbon Conservation Project in Vietnam
- Wildlife Vets International; Amur Leopards in the Russian Far East,
- Lola ya Bonobo, Democratic Republic Congo; bonobo rescue centre
- AEECL (The Association Européenne pour l'Etude et la Conservation des Lémuriens); a consortium of European Zoos and universities that have joined forces to carry out conservation and research projects for Madagascar's highly endangered lemurs.
- WAPCA (West African Primate Conservation Action) based in Ghana, they work to monitor critically endangered primate populations, provide community patrol groups that deter illegal activity in the forests and have developed a breeding programme for critically endangered captive primates.
- Wildtracks, Belize – a primate and manatee rescue and rehabilitation facility in Central America, which has one of the highest success rate of releasing injured or confiscated wildlife back to their natural habitat.
- Borneo Nature Foundation – a significant research, conservation and education organisation based in Indonesia and working with a variety of wildlife, including orang utans and gibbons.

Internal Operations

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited whose activities include the management of retail shops, cafeterias and conference facilities within the Himalaya building as well as additional retail and cafeterias facilities around the Zoo. The aim of the subsidiary is to generate funds to donate to the financial viability of the charity. The subsidiary company pays rent to the charity in respect of the buildings and assets utilised by the shops and cafeterias.

The Retail Strategy continued to deliver a sound retail product offer. Retail performed well under difficult circumstances during 2020, despite the prolonged closures, including online sales. Catering is delivered in partnership with a catering specialist. The catering partnership was put in place in January 2017 and has now completed four years of trading. The collaborative approach with our catering partner has allowed us to respond to the business conditions and prepare for reopening to ensure we were able to recover from the long periods of closure quickly and efficiently. Retail and Catering turnover totalled £2,624k (2019: £3,900k) and profit £639k (2019: £834k)

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REPORT OF THE TRUSTEES (continued)

Key Performance Indicators

Key Performance Indicators are set to monitor and measure progress and achievements throughout the year. The Zoo's executive team monitors and reviews on a regular basis the charity's key performance indicators against budget and prior year performance which include: -

- Admissions Revenue
- EBITDA
- Retail spend
- Catering spend
- Total visitors
- Education visits
- Memberships

Regular monitoring of the KPI's ensured the Zoo was able to achieve its financial, education and charitable objectives throughout the year.

FINANCIAL REVIEW

The annual Financial Statements for the year to 31 December 2020 are set out at pages 18 to 46. The Trustees financial objectives are to make a surplus each year. In 2020, a surplus was made of £289,710 (2019: £514,671).

Capital Expenditure

Capital investment in the Zoo's habitat and visitor experience is the strategic priority of the Trustees. In a difficult year, fixed asset additions were £605k (2019 £2,334k) with the plans for development postponed in light of the uncertainty caused by the pandemic. No major habitat developments were undertaken and expenditure was incurred on improving existing facilities for some animals, including the Aldabran tortoise enclosure, and a new accommodation block for staff.

Income and Expenditure

Admissions and related income was £6.4m (2019: £7.8m) a reduction of 18%. Supporters of the Zoo responded to our appeals for funds with significant levels of donations through the year. Donations and Legacies received were £449k (2019: £25K). Total Expenditure reduced to £9.6m (2019: £11.3m). Staff costs were significantly reduced as seasonal staff were not employed while the Zoo was closed and other cost saving measures were introduced.

Visitor Numbers

Visitor numbers were severely curtailed due to the closure of the Zoo as a consequence of Covid restrictions. The number of visitors grew by 11% between 2018 and 2019 to 648k. There was a reduction of 36% in 2020 to 415k.

Zoo Park (Twycross) Limited

The Zoo's trading subsidiary, Zoo Park (Twycross) Limited provides retail and catering facilities across the site reported a turnover of £2.6m (2019: £3.9m). The surplus of £639k (2019: £834k) was 23% below 2019 and is included in the Group surplus.

Going Concern

The Trustees have carefully considered the financial plans of the organisation and concluded that it is appropriate to prepare the accounts on a Going Concern basis. Further details are set out in the Accounting Policies section of the Financial Statements on pages 21 and 22.

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REPORT OF THE TRUSTEES (continued)

PLANS FOR THE FUTURE

The Zoo's master plan was implemented in 2015, but has been interrupted by the impact of the Covid pandemic. The master plan will resume as soon as possible with new animal exhibits, a vibrant zoological arena and quality visitor facilities designed to attract increasing numbers of visitors. Planned developments will raise the profile of the Zoo as a major contributor to animal conservation, the advancement of scientific research and a major regional tourist attraction.

RISK MANAGEMENT

The Zoo has a formal risk management strategy in place to assess business risks across the organisation. The Zoo continually reviews the major risks that it faces and has developed systems to monitor and control these risks to mitigate any impact they may have on the Zoo in the future.

The principle risks and uncertainties facing the Zoo's ongoing success are:

Risk Description	Impact// Consequence	Mitigation
Downturn in the UK and / or global economy adversely affecting the UK tourist and leisure industry	<ul style="list-style-type: none"> • Visitor number reduction • Loss of revenue • Lack of financing facilities • Unable to invest in the Zoo's development programme • Unable to maintain the current Zoo site • Unable to maintain animal collection • Lose core staff 	<ul style="list-style-type: none"> • Ensure as many costs as possible can be flexed with visitor numbers • Engage with a strong targeted marketing campaign • Exploit the drive time markets • Keep the Zoo exhibits refreshed • Provide "Value added" for the ticket price
The Zoo does not retain its Zoo licence	<ul style="list-style-type: none"> • Zoo closure is enforced 	<ul style="list-style-type: none"> • Maintain required standards as dictated by the Zoo Licensing Act • Carryout regular desktop compliance reviews • Carryout regular training
There are insufficient cash funds available to cash flow the Zoo's business plan	<ul style="list-style-type: none"> • The Zoo could be declared bankrupt by unpaid creditors 	<ul style="list-style-type: none"> • Maintain an adequate set level of working capital. • Cash reserves forecasts are set aside to enable cash flow management. • Carryout regular cash forecasting of available cash to determine adequate levels.
Cash covenants are breached	<ul style="list-style-type: none"> • Reputational damage with funders • Not able to deliver the Zoo Development plan impacting negatively on visitor revenue 	<ul style="list-style-type: none"> • Regular reviews of covenants carried out and reported to Board and Committee • Regular reviews of cash forecasting reported to Committee • Regular Debt reviews carried out • Profit protection plan monitored
Breach of Health & Safety statutory regulations	<ul style="list-style-type: none"> • The Zoo licence is revoked by the Local Authority • Investigation and prosecution by Health & Safety Executive • The Zoo incurs criminal charges and financial penalties 	<ul style="list-style-type: none"> • Contract with a "Critical" partner to provide compliance assurance • Ensure adequate H&S policies in place which are implemented • Regular and appropriate H&S training for staff
IT infrastructure is not adequate to support the business operation	<ul style="list-style-type: none"> • There is a breakdown of IT equipment due to age and / or inadequacy of the equipment • Breach of IT security of the data held and / or loss of data • Loss of revenue • Reputational damage 	<ul style="list-style-type: none"> • Ensure sound and capable IT infrastructure and support • Utilise in-house and outsourced solutions for growth and delivery • Long term planning to replace / upgrade solutions • Take timely and regular system back-ups / replications appropriate to the data and operation • Policy for data storage which is adhered to including an "off-site" option. • Frequent "patching" with "provider issued" patching to guard against unauthorised access • Develop "resilience" in to the system to ensure business continuity. • Carryout annual scoping exercises to ensure current IT infrastructure is adequate

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REPORT OF THE TRUSTEES (continued)

Risk Description	Impact/ Consequence	Mitigation
Board Members and Exec (Strategic Team) will not have sufficient skill or experience to manage the organisation's affairs.	<ul style="list-style-type: none"> Decisions made which are not thought through with high quality rigor damage the organisation's sustainability and reputation. 	<ul style="list-style-type: none"> Review Board skill sets annually to ensure appropriateness and fit to strategic objectives Carryout regular Board training in key strategic areas Ensure regular governance updates Ensure Strategic team have at least an annual strategy day to review and develop strategic plans and direction

RELATIONSHIPS WITH OTHER CHARITABLE BODIES

The Trust maintains active links and co-operates with other Zoos and animal welfare bodies throughout the world in the furtherance of the Charity's aims and objectives. These include BIAZA (British and Irish Association of Zoos and Aquariums), EAZA (European Association of Zoos and Aquaria), WAZA (World Association of Zoos and Aquariums) and GRASP-UN (Great Apes Survival Partnership - UN).

VOLUNTEERS

The Board of Trustees wish to record its gratitude to the numerous volunteers for their contribution to the Trust during the year.

RESERVES POLICY

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted spending expenditure. The Trustees consider that this level has been met and will provide sufficient funds to respond to short term funding requirements and to ensure that support costs are covered. This aim has been maintained throughout the year.

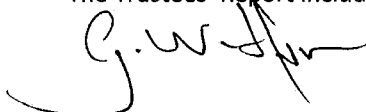
The balance held as unrestricted funds at 31 December 2020 was £20.6m (2019: £20.2m), of which £2.6m (2019: £2.3m) are regarded as free reserves, after allowing for funds designated for fixed assets and the revaluation reserve.

It is acknowledged by the organisation that it needs to maintain cash reserves that cover operating costs for a minimum of 3 months, estimated at £1.5m. Cash and bank reserves at 31 December 2020 were £6.7m (2019: £2.7m). The current level of reserves is therefore above the value needed.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as company directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report including the Strategic Report was approved on behalf of the board by:



RT Hon G W Hoon
Chairman

Date: 31st August 2021

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STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Twycross Zoo-East Midlands Zoological Society Limited for the purposes of company law) are responsible for preparing the Trustees' Report and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO – EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED

Opinion

We have audited the financial statements of Twycross Zoo – East Midland Zoological Society Limited for the year ended 31st December 2020 which comprise Consolidated Statement of Financial Activities, Consolidated Group and Company Balance Sheet, Consolidated Statement of Cashflows and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting standard applicable in the UK and Republic of Ireland”.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 charitable company's ability to continue as a going concern at least until 31 August 2022.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT (continued)

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material

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Year ended 31 December 2020

INDEPENDENT AUDITOR'S REPORT (continued)

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006).
- We understood how the Company is complying with those frameworks by making enquiries of management, including those charged with governance, to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, through internal team conversations and inquiry of management, including those charged with governance. We considered the risk of management override by sampling from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, and investigated these to gain an understanding and then agree them to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included verifying that material transactions were recorded in compliance with FRS 102 and, where appropriate, Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Andy Williams (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

31st August 2021

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ending 31 December 2020

		2020			2019	
	Notes	Unrestricted	Restricted	Endowment	Total	Total
		£	£	£	£	£
INCOMING RESOURCES						
FROM GENERATED FUNDS						
Voluntary						
Donations & Gifts	2	449,439	-		449,439	25,450
CHARITABLE ACTIVITIES						
Life Science, Education and Conservation Welfare	3	6,443,066	500		6,443,566	7,844,728
Activities For Generating Funds						
Retail & Catering	4	2,624,400	-		2,624,400	3,900,263
Government Business		403,953	-		403,953	-
Support Grants		5,525	-		5,525	-
Interest Received						
TOTAL INCOMING RESOURCES		9,926,383	500	-	9,926,883	11,770,441
RESOURCES EXPENDED						
COST OF GENERATING FUNDS						
Retail & Catering	4/5	(1,714,500)			(1,714,500)	(2,676,145)
CHARITABLE ACTIVITY						
Life Science, Education and Conservation Welfare	5/18	(7,708,207)	(132,524)		(7,840,731)	(8,528,835)
GOVERNANCE COSTS		(42,215)			(42,215)	(50,789)
CORPORATION TAX	8	(39,727)			(39,727)	-
TOTAL RESOURCES EXPENDED		(9,504,649)	(132,524)	-	(9,637,173)	(11,255,769)
NET INCOMING/(OUTGOING) RESOURCES		421,734	(132,024)	-	289,710	514,671
Other recognised gains and losses						
Actuarial loss on revaluation of pension		(60,000)			(60,000)	(82,000)
NET MOVEMENT IN FUNDS		361,734	(132,024)	-	229,710	432,671
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	18/19	20,238,108	2,949,030	100,000	23,287,138	22,854,466
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	18/19	20,599,842	2,817,006	100,000	23,516,848	23,287,137

Income and net income for the year arise from the Group's continuing operations. No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Consolidated Statement of Financial Activities.

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

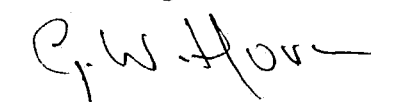
Year ended 31 December 2020

CONSOLIDATED GROUP AND COMPANY BALANCE SHEET

As at 31 December 2020

	Notes	Group		Company	
		2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Intangible Assets	11	80,652	150,531	80,652	150,531
Tangible Assets	12	27,530,539	28,054,353	27,530,539	28,054,353
Investments	13	-	-	72,500	72,500
		<u>27,611,191</u>	<u>28,204,884</u>	<u>27,683,691</u>	<u>28,277,384</u>
CURRENT ASSETS					
Stocks	14	125,549	97,096	0	0
Debtors	15	995,904	989,097	1,243,463	1,757,693
Cash at Bank & In Hand		6,733,046	2,710,999	5,605,864	1,301,170
		<u>7,854,499</u>	<u>3,797,191</u>	<u>6,849,327</u>	<u>3,058,863</u>
CREDITORS : Amounts falling due within one year	16	(2,192,143)	(1,638,227)	(1,713,594)	(1,426,523)
NET CURRENT LIABILITIES		<u>5,662,357</u>	<u>2,158,964</u>	<u>5,135,733</u>	<u>1,632,340</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>33,273,548</u>	<u>30,363,848</u>	<u>32,819,424</u>	<u>29,909,724</u>
CREDITORS: Amounts falling due after more than one year	17	(9,756,700)	(7,076,710)	(9,756,700)	(7,076,710)
NET ASSETS		<u>23,516,848</u>	<u>23,287,138</u>	<u>23,062,724</u>	<u>22,833,014</u>
FUNDS					
Endowment Fund	18	100,000	100,000	100,000	100,000
Restricted Funds	18	2,817,006	2,949,030	2,817,006	2,949,030
Unrestricted Funds					
Designated	18	17,543,478	17,123,410	17,543,478	17,123,410
Other	18	1,204,124	1,204,124	750,000	750,000
Revaluation Reserve	18	1,852,240	1,910,574	1,852,240	1,910,574
		<u>23,516,848</u>	<u>23,287,138</u>	<u>23,062,724</u>	<u>22,833,014</u>

The financial statements on pages 18 to 46 have been approved by the board and authorised for issue on 31st August 2021 and are signed on its behalf by:


 Rt Hon G W Hoon - Chairman

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2020

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2020

	Notes	2020 £	2019 £
CASHFLOWS FROM OPERATING ACTIVITIES			
NET CASH PROVIDED BY OPERATING ACTIVITIES	22	1,768,189	1,905,311
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid to acquire intangible and tangible fixed assets		(605,726)	(1,103,601)
		<u>(605,726)</u>	<u>(1,103,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflows from new bank borrowings		3,000,000	5,535,583
Repayments of bank borrowings and repayment of principal amounts of finance leases and capital creditors		(140,416)	(5,815,613)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		<u>2,859,584</u>	<u>(280,030)</u>
Change in cash and cash equivalents in the reporting period	22	<u>4,022,047</u>	<u>521,680</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	22	<u>6,733,046</u>	<u>2,710,999</u>

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2020

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Twycross Zoo – East Midland Zoological Society Limited is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared under the historical cost accounting rules. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and are in accordance with applicable accounting standards, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent company has not been separately presented in the financial statements.

The separate charitable company statement of financial activities for the year ended 31 December 2020 shows gross incoming resources of £7.2m (2019: £7.9m) and a total profit of £262k (2019: profit of £514k)

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking on a line by line basis using acquisition accounting, eliminating intercompany balances and transactions. The financial statements are presented in the form of Group financial statements.

GOING CONCERN

The Group's net income for the period is £329k (2019: £515k) and has net current assets of £5,662k (2019: £2,159k).

In determining whether the Group's annual financial statements can be prepared on a going concern basis, the Trustees have considered the Group's business activities, together with the factors likely to affect its future development, performance and position, including the impact of the Covid-19 pandemic. The review also includes the financial position of the Company and the wider Group that the Company is part of, their short term and long-term cash flows, liquidity position and borrowing facilities.

The going concern assessment covers the period up to 31 August 2022. The base case forecast used in the assessment assumes pre-pandemic levels of trading up to April 2022, which are below the levels of trading experienced in the period where the zoo has been open to visitors throughout 2020 and 2021 to date, followed by increased activity between April and August 2022 following the opening of a new attraction. Reverse stress tests have been modelled which demonstrated there is sufficient liquidity in all severe but plausible downsides considered. A two-month forced closure in the busier months of April and May 2022 would result in a breach of one of the covenants but mitigating actions could be implemented which would enable the Group to withstand the closure without breaching the covenant. Furthermore, the Trustees consider a Spring closure to be a remote possibility with any future closures being in winter, when demand is lower, if at all.

The key factors considered by the Trustees in making the assessment of going concern were as follows:

- The implications of social and economic conditions on the Group's revenues and profits, with particular reference to the potential for further trading restrictions as part of measures to address the Covid pandemic, including more periods of Zoo closure.
- The funds available to the Zoo through the £5.7m loan facility with an extended termination date of December 2039 and the £4.3m Coronavirus Business Interruption Loan (CBIL) which has been agreed post year end and is repayable over 10 years from 2023.

ACCOUNTING POLICIES (continued)

- The agreement of the Group's lender to waive covenant tests attaching to the loan facility up to June 2022 and ongoing discussions with the bank providing confidence that further support will be provided in the future.
- Positive trading experience since the Zoo re-opened in April, with visitor numbers and yields being above budget and an expectation that this will continue given the restrictions on international travel throughout the summer holidays.
- Prudent financial planning assumptions for the remainder of the year to ensure resources are directed towards critical activities.

The Trustees have assessed the financial position of the organisation, plans for the period to 31 August 2022 and the mitigating actions available and after making enquiries the Trustees are confident that the Group and Company can continue in operational existence at least until 31 August 2022. For these reasons, the Trustees continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required if they were prepared on a basis other than going concern.

INCOME

Income is recognised when the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received; and the amount can be measured reliably.

Income from government and other grants, including financial support through Coronavirus Business Interruption Loans and the Coronavirus Job Retention Scheme, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from gate admissions is recognised at point of entry. Income from the sale of annual passes is deferred and recognised evenly over the period that the pass is valid. Income from legacies is recognised at the point of receipt.

ACCOUNTING POLICIES (continued)

DONATED SERVICES AND FACILITIES

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

INVESTMENT INCOME

Investment income is included in income when receivable.

FUND ACCOUNTING

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific artistic projects being undertaken by the Charity.

EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included in the Statement of Financial Activities on an accruals basis net of value added tax.

Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in the trading activities of the retail and catering functions.
- Expenditure on charitable activities includes costs associated with animals, education and conservation and includes both the direct costs and support costs relating to these activities.
- Support costs include central functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Zoo's activities. Support costs have been allocated to activity cost categories on a basis consistent with the use of resources.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at historical cost less accumulated amortisation.

Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets over their estimated useful lives as follows:

IT software- 10% - 25% per annum

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2020

ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS AND DEPRECIATION

Land and Buildings were revalued at adjusted depreciation replacement cost as at the 31st December 2018. This revalued the Land and Buildings at £25,774,675 at that date. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net difference between the 2018 written down value and the revaluation as at 31st December 2018 was recorded within the revaluation reserve. The difference between the depreciation based on the revalued carrying value and the depreciation based on the original cost is released from the revaluation reserve to other unrestricted funds each year.

Depreciation of fixed assets are charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost. Assets in the course of construction are disclosed separately at a value equal to costs incurred to date. Once completed, they are reclassified and depreciated using the Group's depreciation policy below. No residual values are typically considered.

Freehold land and buildings revalued as at 31/12/2018	Variable dependant on asset life
Tools, plant and equipment	-10% - 20% per annum
Furniture and equipment	-10% - 15% per annum
Motor vehicle	-10% - 20% per annum
IT equipment	-10% - 25% per annum

Assets in the course of construction are transferred to the relevant asset category on the date of completion and depreciated from that date.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less costs of disposals.

DEBTORS

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CASH AT BANK AND IN HAND

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

ACCOUNTING POLICIES (continued)

ZOO ANIMALS

Most of the Zoo's animals are part of international breeding programmes and are "on loan" and as such, are not owned by Twycross Zoo. No valuation is made of the animal collection at the end of each year. Where appropriate, purchases and sales appear in the financial statements as revenue items in the year in which they arise.

LEASED ASSETS

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as though they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements and the interest is charged to the Statement of Financial Activities (SOFA) in proportion to the remaining balance outstanding,

TAXATION

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Its trading company usually donates the whole of its taxable profits to the Society each year, and tax relief is granted on the transfer if it is completed in compliance with current tax legislation.

RETIREMENT BENEFITS

The Charity runs a stakeholder pension scheme. The amount charged in respect of pension costs is the employer's contributions payable for the year. The pension scheme is a defined contribution scheme.

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

INVESTMENTS

Investments are stated at fair value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

RECOGNITION OF LIABILITIES

Liabilities are recognised when there is a legal or constructive obligation.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

The defined benefit obligation is accounted for using a method that relies on actuarial assumptions to estimate the liability for inclusion in the financial statements. These actuarial assumptions include discount rates, inflation rate and mortality rates

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2020

Notes to the Accounts

1. COMPARATIVE SOFA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Consolidated Income and Expenditure Account) for the year ending 31 December 2019

	2019			Total £
	Unrestricted £	Restricted £	Endowment £	
INCOMING RESOURCES				
FROM GENERATED FUNDS				
Voluntary				
Donations & Gifts	21,950	3,500		25,450
CHARITABLE ACTIVITIES				
Life Science, Education and Conservation Welfare	7,829,856	14,872		7,844,728
Activities For Generating Funds				
Retail & Catering	3,900,263	-		3,900,263
Government Business Support Grants	-			-
Investment Income	-	-		-
TOTAL INCOMING RESOURCES	11,752,069	18,372	-	11,770,441
RESOURCES EXPENDED				
COST OF GENERATING FUNDS				
Retail & Catering	2,676,145			2,676,145
CHARITABLE ACTIVITY				
Life Science, Education and Conservation Welfare	8,579,624			8,579,624
GOVERNANCE COSTS				-
OTHER RESOURCES EXPENDED				-
TOTAL RESOURCES EXPENDED	11,255,769	-	-	11,255,769
NET INCOMING/(OUTGOING) RESOURCES	496,300	18,372	-	514,672
Other recognised gains and losses				
Actuarial loss on revaluation of pension liability	(82,000)			(82,000)
Corporation Tax	-			-
NET MOVEMENT IN FUNDS	414,300	18,372	-	432,672
FUND BALANCES BROUGHT FORWARD AT 1 JANUARY	19,823,808	2,930,658	100,000	22,854,466
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER	20,238,108	2,949,030	100,000	23,287,138

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2020

Notes to the Accounts (continued)

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations & Gifts	372,095	9,681
Legacies	<u>77,343</u>	<u>15,769</u>
	<u>449,439</u>	<u>25,450</u>

3. CHARITABLE ACTIVITIES

	2020	2019
	£	£
Unrestricted Income		
Gate Admissions and Donations	5,204,575	6,061,840
Gift Aid	582,508	675,729
Membership and adoptions	471,011	567,331
Educational visits	7,338	79,411
Other Income	<u>177,633</u>	<u>445,545</u>
	6,443,066	7,829,856
Restricted Income		
Research and Conservation Grants	<u>500</u>	<u>14,872</u>
	<u>6,443,566</u>	<u>7,844,728</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2020

Notes to the Accounts (continued)

4. RETAIL AND CATERING

RETAIL & CATERING

	2020	2019
	£	£
Turnover	2,624,400	3,900,263
Government Grants	46,585	
Cost of Sales	(1,500,378)	(2,417,946)
Gross Profit	1,170,607	1,482,318
Administrative Expenses	(492,162)	(648,226)
Corporation Tax	(39,727)	-
Net Profit	638,718	834,092
Reconciliation to SOFA		
Cost of sales	1,500,378	2,417,946
Administrative Expenses	492,162	648,226
	1,992,540	3,066,171
Less rent payable to parent	(262,440)	(352,034)
Less auditor's remuneration analysed as governance costs	(15,600)	-
Less other costs recharged		(37,992)
	<u>1,714,500</u>	<u>2,676,145</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2020

Notes to the Accounts (continued)

5. ANALYSIS OF TOTAL EXPENDITURE

	Retail & Catering Costs £	Life Science, education and conservation welfare costs £	2020 Total Costs £	2019 Total Costs £
COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
Life Science	-	438,158	438,158	565,982
Building Expenses	-	1,514,860	1,514,860	1,646,050
Retail & Catering	1,500,378	-	1,500,378	2,441,282
Advertising & Publicity	-	639,379	639,379	623,858
Legal & Professional	-	101,403	101,403	191,578
	<u>1,500,378</u>	<u>2,693,799</u>	<u>4,194,177</u>	<u>5,468,750</u>
SUPPORT COSTS ALLOCATED TO ACTIVITIES				
Staff Costs	198,497	2,642,533	2,841,030	3,200,590
Office Expenses	15,624	805,122	820,747	732,737
Irrecoverable Vat	-	255,615	255,615	461,263
Depreciation	-	1,138,144	1,138,144	1,082,853
Fixed Asset Disposal	-	-	-	-
Finance Costs	-	305,518	305,518	258,787
Other support costs	-	-	-	-
	<u>214,122</u>	<u>5,146,932</u>	<u>5,361,054</u>	<u>5,736,230</u>
2020 Totals	<u>1,714,500</u>	<u>7,840,731</u>	<u>9,555,231</u>	<u>11,204,980</u>
2019 Totals	<u>2,676,145</u>	<u>8,528,835</u>		<u>11,204,980</u>

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2020

Notes to the Accounts (continued)

6. NET INCOME

	2020	2019
	£	£
Net income is stated after charging:		
Operating lease rentals		
- plant and machinery	48,538	29,124
Auditors' remuneration		
- for audit services	39,000	39,000
- for non-audit services		-
Depreciation of tangible fixed assets		
-leased assets	14,351	14,351
-owned assets	1,115,190	1,048,582
Amortisation of intangible assets	69,878	34,271
Cost of stock recognised as an expense	<u>418,661</u>	<u>561,466</u>

7. INTEREST EXPENDITURE

	2020	2019
	£	£
Interest on bank loans and overdrafts	236,609	215,299
Other bank, interest and finance lease charges	61,910	34,488
Pension net interest expense (note 25)	<u>7,000</u>	<u>9,000</u>
	<u>305,518</u>	<u>258,787</u>

Twycross Zoo - East Midland Zoological Society Limited

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Registered Charity No: 501841

Year ended 31 December 2020

Notes to the Accounts (continued)

8. TAXATION

Twycross Zoo East Midlands Zoological Society (The Company)

	2020	2019
	£	£
Current tax:		
UK corporation tax on profits of period	-	-
Factors affecting tax charge for the period	-	-

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Zoo Park (Twycross) Ltd

Profit on ordinary activities before taxation of Zoo Park (Twycross) Ltd	678,455	834,092
Tax at 19% (2019: 19%) on profit	128,906	158,477
Exempt under gift aid	<u>(89,179)</u>	<u>(158,477)</u>
Corporation tax	<u>39,727</u>	<u>-</u>

The trading subsidiary, Zoo Park (Twycross) Limited, usually donates all its annual surplus to the parent company under the statutory Gift Aid provisions. During 2020, the transfer made did not result in full tax relief, and Zoo Park (Twycross) Limited is liable for Corporation Tax of £39,727.

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Notes to the Accounts (continued)

9. DIRECTORS AND EMPLOYEES

Group staff costs:	2020	2019
	£	£
Wages and salaries	2,721,988	2,892,395
Social security costs	198,712	203,598
Pension costs	103,475	104,597
	<u>3,024,175</u>	<u>3,200,590</u>

Higher paid employees

Salary Range	2020	2019
£150,000 - £159,999	1	
£110,000 - £119,999	1	1
£90,000 - £99,999	1	
£80,000 - £89,999		1
£70,000 - £79,999		1

Pension and National Insurance Contributions of £59,525 (2019: £ 30,396) were paid in respect of these employees.

Average monthly number of employees, based on headcount.

	2020	2019
Average monthly number of employees, based on head count including directors:-	No.	No.
Education	9	13
Resources	20	7
Visitor services	34	39
Retail	17	22
Keepers	54	56
Vets	3	3
	<u>137</u>	<u>140</u>

Notes to the Accounts (continued)

10. TRUSTEES

No remuneration was paid to the Trustees and none are accruing benefits under pension schemes (2019: £nil)

During the year 4 (2019: 6) Trustees were reimbursed expenses of £929 (2019: £2,195), relating to travel and accommodation costs.

The key management personnel of the group comprise those having authority and responsibility, delegated to them by the Trustees, for planning, directing and controlling the activities of the charity. Remuneration for key management personnel, including pension and employer's national insurance contributions amounted to £414,512 (2018: £335,124).

11. INTANGIBLE ASSETS

	IT Software £	Total £
Cost		
1st January 2020	227,203	227,203
Additions	-	-
Transfers	-	-
Disposals	-	-
31st December 2020	<u>227,203</u>	<u>227,203</u>
Amortisation		
1st January 2020	76,673	76,673
Amortisation charge for the year	69,878	69,878
Disposals	-	-
31st December 2020	<u>146,551</u>	<u>146,551</u>
Net Book Value		
31st December 2020	<u>80,652</u>	<u>80,652</u>
31st December 2019	<u>150,531</u>	<u>150,531</u>

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Notes to the Accounts (continued)

12. TANGIBLE FIXED ASSETS

Cost	Freehold Land & Buildings £	Tools Plant & Equipment £	Furniture & Equipment £	Motor Vehicles £	IT Equipment £	Assets Under Construction £	Total £
1st January 2020	27,567,744	932,674	1,230,907	23,657	332,177	373,847	30,461,005
Additions	59,521	4,099	138,319	-	69,470	334,316	605,725
Transfers	228,763	(7,810)	-	-	-	(220,952)	0
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
31st December 2020	27,856,028	928,962	1,369,225	23,657	401,647	487,210	31,066,731
Depreciation							
1st January 2020	859,716	576,237	708,697	23,629	238,373	-	2,406,651
Charge for the year	913,792	36,242	90,809	28	88,670	-	1,129,541
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
31st December 2020	1,773,508	612,480	799,505	23,657	327,043	-	3,536,192
Net Book Value							
31st December 2020	26,082,521	316,483	569,720	0	74,605	487,210	27,530,539
31st December 2019	26,708,028	356,437	522,210	28	93,803	373,847	28,054,353

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The net book value of tools, plant and equipment includes assets held under finance leases costing £143,513 (2019: £143,513) which incurred depreciation of during the year ended 31 December 2020 £14,351 (2019 £14,351). Land and Buildings were revalued at adjusted depreciation replacement cost as at the 31st December 2018. This revalued current Land and Buildings at £25,774,675. The net difference between the 2018 written down value and the revaluation as at 31st December 2018 has created a revaluation reserve in the accounts of £1,852,240 (2019: £1,910,574). The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net book value of Freehold land and buildings includes £1,211,071 (2019: £1,280,817) relating to the Tiger enclosure asset which incurred depreciation of £69,746 during the year ended 31 December 2020 (2019: £16,213), see note 17 for further details.

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Notes to the Accounts (continued)

13. INVESTMENTS

COMPANY	2020	2019
	£	£
Investment in Subsidiary Company	72,500	72,500

The company owns 9,600 £1 ordinary shares in Zoo Park (Twycross) Limited ("Zoo Park") (company number 709915) being the whole of the issued share capital of that company. Zoo Park (Twycross) Limited is incorporated in, and operates in, the United Kingdom. Its principal activity is the provision of catering and leisure services.

During 2020 Zoo Park generated turnover of £2,624,400 (2019: £3,900,262), received government grant income through the Coronavirus Job Retention Scheme of £46,585 (2019: nil) and recognised total expenditure of £2,032,267 (2019: £3,066,170).

The subsidiary company's retained profit for the financial year is £Nil (2019: profit £nil) and its capital and reserves at 31 December 2020 are £526,623 (2019: £526,623).

The subsidiary company has an amount payable of £638,718 (2019: £834,092), under gift aid to the parent company.

14. STOCKS

	Group		Company	
	2020	2019	2020	2019
Gift Shop & Guides	125,549	97,096	-	-

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15. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed by subsidiary	-	-	689,569	982,662
Trade debtors	21,381	-	21,381	-
Other Debtors	828,590	805,642	386,580	591,576
Prepayments & Accrued Income	145,933	183,455	145,933	183,455
	<u>995,904</u>	<u>989,097</u>	<u>1,243,463</u>	<u>1,757,693</u>

16. CREDITORS: Amounts falling due in less than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
CBIL Loan	300,000	-	300,000	-
Finance Leases	69,566	67,019	69,566	67,019
Trade Creditors	573,053	331,615	306,337	325,856
Other Taxation & Social Security	32,523	169,747	32,523	169,826
Corporation Tax	39,727	-	-	-
Accruals & Deferred Income	1,059,004	924,311	886,898	718,365
Capital creditor	118,270	145,457	118,270	145,457
	<u>2,192,143</u>	<u>1,638,227</u>	<u>1,713,594</u>	<u>1,426,523</u>

Included within tax and social security are pension contributions of £19,477 (2019: £15,376). Included within accruals is deferred income relating to the sales of annual membership passes. Due to Covid, annual membership passes have been extended for a period equivalent to the closure of the zoo. The value of memberships included in income earned from charitable activities during the current year is £471k (2019 £567k) and the amount deferred is £379K (2019: £263k)

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Notes to the Accounts (continued)

17. CREDITORS: Amounts falling due in more than one year

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
CBIL Loan	2,700,000	-	2,700,000	-
Pension Creditor	421,000	354,000	421,000	354,000
Finance Lease Obligations	62,681	90,822	62,681	90,822
Bank Loans	5,565,232	5,536,467	5,565,232	5,536,467
Capital Creditor	1,007,787	1,095,421	1,007,787	1,095,421
	<u>9,756,700</u>	<u>7,076,710</u>	<u>9,756,700</u>	<u>7,076,710</u>

Included in bank loans are £5.6m borrowed from Metro bank in 2019. The average rate of interest on this loan during the year was 3.25% (2019 3.5%). During the year interest payments were suspended and added to the principle borrowed. During the year the Company arranged a Coronavirus Business Interruption Loan of £3m, at a rate of 3% plus the Bank of England Base rate. The average interest rate payable for the year was 3.1%. The interest on this loan for the first 12 months will be covered by a COVID Business Interruption Support Grant. The amount of grant received in the year was £51,468 (2019: £nil). The loan had a term of 6 years with capital repayment commencing in July 2021. The loan was repaid in March 2021 and a further loan of £4.3m arranged on similar terms.

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18. FUNDS

ENDOWMENT FUND

£

1st January 2020 and 31st December 2020

100,000

UNRESTRICTED FUNDS

	Group		Company	
	2020	2019	2020	2019
Designated Funds				
1st January	17,123,410	1,367,100	17,123,410	1,367,100
Transfer to Designated funds from Other Unrestricted Funds	420,068	15,756,310	420,068	15,756,310
31st December	<u>17,543,478</u>	<u>17,123,410</u>	<u>17,543,478</u>	<u>17,123,410</u>
Conservation Welfare	1,367,100	1,367,100	1,367,100	1,367,100
Fixed Assets	<u>16,176,378</u>	<u>15,756,310</u>	<u>16,176,378</u>	<u>15,756,310</u>
	<u>17,543,478</u>	<u>17,123,410</u>	<u>17,543,478</u>	<u>17,123,410</u>

The Conservation Welfare Fund is to provide grants to wildlife conservation and/or welfare projects.

During 2019, the Trustees implemented a policy to establish a designated fund relating to tangible fixed assets. Establishing this designated fund reflects the Group's net assets are largely attributed to capitalised tangible fixed assets, which do not provide free funds which are available for use. The carrying value of tangible fixed assets at 31 December 2020 was £27.5m (2019: £28.1m), see note 12. A reconciliation between total funds and the significant components of net assets is provided in note 20. During 2020 a further £0.4m (2019: £15.8m) has been transferred from "Other Unrestricted Funds" to "Designated Funds", resulting in total "Other Unrestricted Funds" of £1.2m and £0.75m for the Group and Company respectively (2019 £1.2m and £0.75m).

Revaluation Reserve

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
1st January	1,910,574	1,968,909	1,910,574	1,968,909
Annual Transfer from Revaluation Reserve to Other Unrestricted Funds	(58,334)	(58,335)	(58,334)	(58,335)
31st December	<u>1,852,240</u>	<u>1,910,574</u>	<u>1,852,240</u>	<u>1,910,574</u>

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Notes to the Accounts (continued)

Note 18 (Continued)

Other Unrestricted Funds

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
1st January	1,204,124	16,487,799	750,000	16,033,675
Net (loss) / surplus for the year	421,734	496,300	421,733	496,300
Actuarial Loss on revaluation of pension liability	(60,000)	(82,000)	(60,000)	(82,000)
Transfer from Revaluation Reserve	58,334	58,335	58,334	58,335
Transfer to Designated Funds - Fixed Assets	(420,068)	(15,756,310)	(420,068)	(15,756,310)
31st December	<u>1,204,124</u>	<u>1,204,124</u>	<u>750,000</u>	<u>750,000</u>
Total unrestricted funds	<u>20,599,842</u>	<u>20,238,108</u>	<u>20,145,718</u>	<u>19,783,984</u>

RESTRICTED FUNDS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
1st January	2,949,030	2,930,658	2,949,030	2,930,658
Income in the year	500	18,372	500	18,372
Expended in the year	132,524	-	132,524	-
31st December	<u>2,817,006</u>	<u>2,949,030</u>	<u>2,817,006</u>	<u>2,949,030</u>

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Notes to the Accounts (continued)

Note 18 (Continued)

	1st January 2020	Income	Expenditure	31st December 2020
Molly Badham Chimpanzee Fund	23,008	-	23,008	-
Himalaya	2,350,000	-	75,000	2,275,000
Changing Places Grant	55,398	-	2,193	53,205
LLEP SME Growth Fund	502,252	-	13,951	488,301
WAZA	14,872	-	14,872	-
Other		500	0	500
Ratcliffe Foundation	3,500	-	3,500	-
	<u>2,949,030</u>	<u>500</u>	<u>132,524</u>	<u>2,817,006</u>

Molly Badham Chimpanzee Fund

The Molly Badham Chimpanzee Fund was set up after Miss Badham's death in 2007, in recognition of her years of service at Twycross Zoo and her contribution to chimpanzee contribution. The fund has been spent on enhancing the chimpanzee accommodation at the zoo.

Himalaya

Twycross Zoo was awarded a grant of £3,000,000 by the East Midlands Development Agency towards the construction of a new visitor welcome centre. 'Himalaya' is a landmark project for the East Midlands region. The value of the building is held in Fixed Assets and the fund is amortised over the buildings estimated useful life.

Changing Places Grant Fund

The Changing Places Grant Fund was provided by and is being amortised over its useful life.

LLEP SME Growth Fund

The Zoo Development Fund represents amounts received from Leicester and Leicestershire Enterprise Partnership to support the Trustees' master plan to develop the zoo infrastructure. The funds were expended on fixed assets during the 2015 financial year. The fund is amortised over the estimated useful life of the assets.

WAZA

The grant from the World Association for Zoos and Aquaria (WAZA) was part of their Nature Connect project to provide support to families in Borneo to create sustainable businesses in partnership with the Borneo Nature Foundation.

Ratcliffe Foundation

The Ratcliffe Foundation donated money to be spent on updating veterinary equipment.

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Notes to the Accounts (continued)

19. RECONCILIATION OF FUNDS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Surplus for the year	289,709	514,672	289,709	514,672
Actuarial losses on revaluation of pension liability	(60,000)	(82,000)	(60,000)	(82,000)
Opening funds	<u>23,287,137</u>	<u>22,854,465</u>	<u>22,833,014</u>	<u>22,400,342</u>
Closing funds	<u>23,516,846</u>	<u>23,287,137</u>	<u>23,062,723</u>	<u>22,833,014</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted funds	Endowment fund	Total
	£	£	£	£
Intangible fixed assets (note 11)	80,652			80,652
Tangible fixed assets (note 12)	24,613,533	2,817,006	100,000	27,530,539
Cash at bank and in hand	6,733,046			6,733,046
Other net current assets/(liabilities)	(1,070,689)			(1,070,689)
Long term liabilities (note 17)	(9,756,700)			(9,756,700)
	<u>20,599,842</u>	<u>2,817,006</u>	<u>100,000</u>	<u>23,516,848</u>

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no guarantees or financial commitments at 31 December 2020 (2019: £nil)

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Notes to the Accounts (continued)

22. CASHFLOW

RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net incoming/(outgoing) resources	289,710	432,672
Depreciation	1,199,419	1,082,853
Amortisation of loan arrangement fees	28,765	-
Movement in stocks	(28,453)	7,844
Movement in debtors	(6,808)	372,999
Movement in creditors	285,556	(73,057)
	<u>1,768,189</u>	<u>1,905,311</u>

Analysis of Cash and Cash Equivalents

	1 January		31 December
	2020	Cash flows	2020
	£	£	£
Cash at bank and in hand	<u>2,710,999</u>	<u>4,022,047</u>	<u>6,733,046</u>

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Notes to the Accounts (continued)

23. RELATED PARTY TRANSACTIONS

The Charity owns the whole of the issued share capital of Zoo Park (Twycross) Limited ("Zoo Park")

Transactions with Zoo Park were as follows:

	2020	2019
Zoo Park profit gift aided to parent	638,718	834,092
Intercompany rent and other recharges	262,440	390,026

Dr Sharon Redrobe, Chief Executive, was appointed a director of her wife's company, Little Soap Company Limited, on 27 April 2020. During the year Zoo Park purchased goods for resale to the value of £1,349 (2019: £399) from Little Soap Company Limited. There were no outstanding payments due Little Soap Company at 31 December 2020 (2019: nil).

24. CONTINGENT LIABILITIES

There are no contingent liabilities at the 31 December 2020 (2019: £ nil)

Notes to the Accounts (continued)

25. PENSION LIABILITIES

The Company has put arrangements in place via an Employer Financed Retirement Benefits Scheme (EFRBS) for an ex-employee with a pension entitlement contained within their employment contract. The Company's obligations under this EFRBS will not be funded, however they will constitute liabilities of the Company payable when due and therefore are disclosed in the Company's accounts.

Principal actuarial assumptions at the balance sheet date	Year to 31 December	
	2020	2019
Discount rate	1.30%	2.10%
RPI price inflation	n/a	n/a
CPI price inflation	n/a	n/a
Mortality (pre and post retirement)	S3PXA light table with future improvements in line with the CMI 2018 projection model were used with a long-term trend rate of 1.5% pa	

The amounts recognised in the statement of financial position

EFRBS unfunded Liability	£421,000
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This disclosure does not cover any other pension arrangement or commitments of the Company.

Net liability recognised in the balance sheet	£421,000
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Sensitivity analysis	Increase in Liability	
	2020	2019
Discount rate decreased by 0.1%	£8,000	£7,000
Life expectancy increased by one year	£12,000	£9,000

The above sensitivity analysis is based on isolated changes in each assumption whilst holding all other assumptions constant. In practice, that is unlikely to occur and there is likely to be some level of correlation between the movements in different assumptions.

For the year ended 31 December 2020, the total amount of actuarial re-measurement losses recorded in Other Recognised Gains/Losses (other comprehensive income) was £60,000 (2018: £82,000). The net interest expense recognised in Total Expenditure was £7,000 (2019: £9,000).

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Notes to the Accounts (continued)

26. POST BALANCE SHEET EVENTS

The emergency arrangements to respond to the outbreak of the coronavirus (COVID-19) in 2020 continued into 2021. The UK Government imposed another lockdown from the 5th January 2021 to the 11th April 2022. The Company is reliant on the continued use of facilities at Twycross Zoo to deliver its services and has therefore experienced a further significant fall in revenues as Twycross Zoo was unable to admit visitors for the key periods of the February school half term holiday and part of the Easter school holidays, including 2 Bank Holidays. Government support has continued in 2021 through the Jobs Retention Scheme, Covid Business Interruption Loans, and Business Support Grants from the local authority. The company has not been able to access support from the Zoo Animals Fund because of the stringent application conditions. Further lockdown measures by the UK Government, an inability to use the Twycross Zoo facilities and the wider economic downturn caused by COVID-19 may still have a detrimental impact on the performance of the Company. The impact of not being able to trade through the lockdown period has led to a loss of planned income of over £1m, but trading performance since re-opening on the 12 April, with appropriate social distancing measures in place, has been strong.

As part of the arrangements, the Covid Business Interruption Loan (CBIL) from Metro Bank for £3,000,000 that was arranged in June 2020 was repaid in full in March 2021. A new CBIL for £4,300,000 was arranged from Metro Bank in March 2021. In view of the current economic uncertainty, subject to certain conditions, Metro Bank have suspended the requirement to comply with the financial covenants set out in the loan agreements falling within the period 31 March 2021 and ending on 31 March 2022.