



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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Year ended 31 December 2021

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 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 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 be 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>	

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2021

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)	<u>5,000</u>	<u>7,000</u>
	<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.

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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).

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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>

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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).

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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>

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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.

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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>

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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>

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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.