



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

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2022

Company Number 1060956
Registered Charity Number 501841

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

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Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

ADMINISTRATION, OFFICERS AND ADVISORS

REGISTERED OFFICE

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

REGISTERED NUMBER

1060956

CHARITY NUMBER

501841

COMMITTEE (TRUSTEES)

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

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

H J Mitchell

T B Payne

T Maxted

D Beckett

PC Popham

M Bennett

COMPANY SECRETARY

M Dytham

AUDITOR

Ernst & Young LLP

1 Colmore Square

Birmingham

B4 6HQ

BANKERS

Metro Bank plc

Southampton Row

London

WC1B 5HA

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

REPORT OF THE TRUSTEES

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

CONSTITUTION

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

COMMITTEE (TRUSTEES)

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

Rt. Hon. G W Hoon (Chairman)

H S Dua

G C W England

E A Hardwick-Smith

D J Meek

G A Middleton

H J Mitchell

T B Payne

J Thornell

T Maxted

D K Beckett

P C Popham

M Bennett

Resigned 22 June 2022

Resigned 1 January 2023

Resigned 27 June 2022

Appointed 24 October 2022

Appointed 1 January 2023

Appointed 11 December 2023

Appointed 11 December 2023

KEY MANAGEMENT PERSONNEL

S Redrobe OBE

D J Meek

C Dunkerley

K Clarke

R Walker

C Watson

R Biddle

S O'Connor

Chief Executive Officer – Resigned 30 June 2022

Chief Executive Officer – Appointed 30 June 2022

Resigned 26 February 2023

Chief Executive Officer – Appointed 5 June 2023

Chief Operations Officer – Resigned 17 May 2022

Finance Director – Resigned 27 July 2022

Finance Director – Appointed 27 July 2022

Director of Conservation

Commercial Head of Retail and Operations – Appointed
1 August 2022

REPORT OF THE TRUSTEES (continued)

Method of appointment, induction and training of Trustees

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

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

Indemnity Insurance

The Trust maintains indemnity insurance on behalf of its Trustees.

Organisational Structure

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

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

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

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

Pay policy for staff

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

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

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

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

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

REPORT OF THE TRUSTEES (continued)

STRATEGIC REPORT

PRINCIPAL OBJECTIVES AND ACTIVITIES

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

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

The Trust's aims and objectives are:

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

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

Life Sciences

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

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

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

REPORT OF THE TRUSTEES (continued)

Conservation

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

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

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

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

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

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

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

REPORT OF THE TRUSTEES (continued)

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

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

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

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

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

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

REPORT OF THE TRUSTEES (continued)

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

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

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

The partners we have supported this year include:

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

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

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

REPORT OF THE TRUSTEES (continued)

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

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

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

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

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

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

REPORT OF THE TRUSTEES (continued)

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

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

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

Education

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

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

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

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

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

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

REPORT OF THE TRUSTEES (continued)

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

Research

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

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

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

REPORT OF THE TRUSTEES (continued)

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

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

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

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

REPORT OF THE TRUSTEES (continued)

Financial

See also Financial Review Section

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

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

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

PUBLIC BENEFIT

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

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

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

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

Internal Operations

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

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

REPORT OF THE TRUSTEES (continued)

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

Key Performance Indicators

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

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

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

FINANCIAL REVIEW

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

Capital Expenditure

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

Income and Expenditure

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

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

REPORT OF THE TRUSTEES (continued)

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

Visitor Numbers

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

Zoo Park (Twycross) Limited

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

Going Concern

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

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

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

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

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

REPORT OF THE TRUSTEES (continued)

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

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

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

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

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

PLANS FOR THE FUTURE

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

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

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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 Maintain strong working relationships with key banking partner with open lines of communication
Breach of Health & Safety statutory regulations	<ul style="list-style-type: none"> The Zoo licence is revoked by the Local Authority Investigation and prosecution by Health & Safety Executive The Zoo incurs criminal charges and financial penalties 	<ul style="list-style-type: none"> Contract with a "Critical" partner to provide compliance assurance Ensure adequate H&S policies in place which are implemented Regular and appropriate H&S training for staff
IT infrastructure is not adequate to support the business operation	<ul style="list-style-type: none"> There is a breakdown of IT equipment due to age and / or inadequacy of the equipment Breach of IT security of the data held and / or loss of data Loss of revenue Reputational damage 	<ul style="list-style-type: none"> Ensure sound and capable IT infrastructure and support Utilise in-house and outsourced solutions for growth and delivery Long term planning to replace / upgrade solutions Take timely and regular system back-ups / replications appropriate to the data and operation Policy for data storage which is adhered to including an "off-site" option, Frequent "patching" with "provider issued" patching to guard against unauthorised access Develop "resilience" into the system to ensure business continuity. Carryout annual scoping exercises to ensure current IT infrastructure is adequate
Board Members and Exec (Strategic Team) will not have sufficient skill or experience to manage the organisation's affairs.	<ul style="list-style-type: none"> Decisions made which are not thought through with high quality rigor damage the organisation's sustainability and reputation. 	<ul style="list-style-type: none"> Review Board skill sets annually to ensure appropriateness and fit to strategic objectives Carryout regular Board training in key strategic areas Ensure regular governance updates Ensure Strategic team have at least an annual strategy day to review and develop strategic plans and direction

REPORT OF THE TRUSTEES (continued)

RELATIONSHIPS WITH OTHER CHARITABLE BODIES

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

RESERVES POLICY

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

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



Rt Hon G W Hoon
Chairman
11th December 2023

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

In preparing these financial statements the Trustees are required to:

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

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

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

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Material uncertainty relating to going concern

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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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

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

Twycross Zoo - East Midland Zoological Society Limited

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Year ended 31 December 2022

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

Use of our report

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

Ernst & Young LLP

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

12 December 2023

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

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

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

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

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022


CONSOLIDATED GROUP AND COMPANY BALANCE SHEET

As at 31 December 2022

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

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

Rt Hon G W Hoon – Chairman



Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 December 2022

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

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

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

BASIS OF CONSOLIDATION

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

GOING CONCERN

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

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

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

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

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

ACCOUNTING POLICIES (continued)

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

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

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

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

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

INCOME

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

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

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

ACCOUNTING POLICIES (continued)

DONATED SERVICES AND FACILITIES

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

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

FUND ACCOUNTING

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

EXPENDITURE

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

Expenditure is classified under the following activity headings:

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

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

INTANGIBLE FIXED ASSETS AND AMORTISATION

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

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

IT software- 10% - 33% per annum

TANGIBLE FIXED ASSETS AND DEPRECIATION

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

ACCOUNTING POLICIES (continued)

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

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

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

IMPAIRMENT

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

STOCKS

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

DEBTORS

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

CASH AT BANK AND IN HAND

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

CREDITORS AND PROVISIONS

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

FINANCIAL INSTRUMENTS

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

ZOO ANIMALS

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

ACCOUNTING POLICIES (continued)

LEASED ASSETS

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

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

TAXATION

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

RETIREMENT BENEFITS

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

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

INVESTMENTS

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

RECOGNITION OF LIABILITIES

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

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

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

Twycross Zoo - East Midland Zoological Society Limited

Co No: 1060956

Registered Charity No: 501841

Year ended 31 December 2022

Notes to the Accounts

1. COMPARATIVE SOFA

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

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

Notes to the Accounts (continued)

2. DONATIONS AND LEGACIES

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

3. CHARITABLE ACTIVITIES

Life Science, Education and Conservation Welfare

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

Notes to the Accounts (continued)

4. RETAIL AND CATERING

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

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

Notes to the Accounts (continued)

5. ANALYSIS OF TOTAL EXPENDITURE

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

Notes to the Accounts (continued)

6. NET INCOME

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

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

7. INTEREST EXPENDITURE

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

Notes to the Accounts (continued)

8. TAXATION

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

Factors affecting tax charges in future years

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

Notes to the Accounts (continued)

9. DIRECTORS AND EMPLOYEES

DIRECTORS AND EMPLOYEES

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

Higher paid employees

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

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

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

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

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

Notes to the Accounts (continued)

10. TRUSTEES

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

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

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

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

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Notes to the Accounts (continued)

12. TANGIBLE FIXED ASSETS

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

The net book value of tools, plant and equipment includes assets held under finance leases costing £144k (2021: £144k) which incurred depreciation during the year ended 31 December 2022 of £14k (2021: £14k). The zoo's land and buildings were revalued at adjusted depreciated replacement cost as at the 31 December 2021. Some assets previously capitalised as Land and Buildings are now being used as part of The Gruffalo Discovery Land. The revaluation was conducted in accordance with FRS102 guidance in order to reflect more accurately the value of Land and Buildings assets owned by Twycross Zoo. The net book value of freehold land and buildings includes £1,624k (2021: £1,659k) relating to the Tiger enclosure asset which incurred depreciation of £32k during the year ended 31 December 2022 (2021: £32k).

Metro Bank Plc have a debenture against all assets of the business, which includes a first legal charge over the property at the zoo site. Wates Property Services Limited have a debenture specifically against the tiger enclosure asset for £886k (2021: £1,008k). The Metro Bank Plc debenture takes precedence over this.

Notes to the Accounts (continued)

13. INVESTMENTS

COMPANY	2022 £'000	2021 £'000
Investment in Subsidiary Company	73	73

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

Zoo Park's turnover for the year is £4,386k (2021: £3,168k) and its expenditure is £3,663k (2021: £2,270k).

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

The subsidiary company has a payable of £248k (2021: £298k), under gift aid to the parent company.

The subsidiary company's retained profit for the financial year is £nil (2021: £nil) and its capital and reserves at 31 December 2022 are £527k (2021: £527k).

14. STOCKS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Giftshop & Guides	318	135	-	-
Spares for Operations	4	-	4	-
	<u>322</u>	<u>135</u>	<u>4</u>	<u>-</u>

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Notes to the Accounts (continued)

15. DEBTORS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts owed by subsidiary	-	-	663	203
Trade debtors	56	5	55	5
Other debtors	208	116	109	4
Prepayments & accrued income	251	196	251	196
	<u>515</u>	<u>317</u>	<u>1,078</u>	<u>408</u>

Included within other debtors are VAT receivables of £99k (2021: £19k).

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
CBIL loan	78	-	78	-
Bank loans	158	281	158	281
Finance leases	29	28	29	28
Trade creditors	303	354	298	263
Other taxation & social security	68	43	68	43
Accruals & deferred income	1,146	1,119	1,076	991
Capital creditor	126	122	126	122
	<u>1,908</u>	<u>1,947</u>	<u>1,833</u>	<u>1,728</u>

Included within tax and social security are pension contributions of £1k (2021: £12k). Included within accruals is deferred income relating to the sales of annual membership passes. Due to Covid, annual membership passes were extended for a period equivalent to the closure of the zoo. The value of memberships included in income earned from charitable activities during the current year is £640k (2021: £601k) and the amount deferred is £461k (2021: £325K).

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17. CREDITORS: Amounts falling due in more than one year

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
CBIL LOAN	4,221	4,300	4,221	4,300
Pension Creditor	-	392	-	392
Finance Lease Obligations	8	37	8	37
Bank Loans	5,378	5,283	5,378	5,283
Capital Creditor	760	886	760	886
	<u>10,367</u>	<u>10,898</u>	<u>10,367</u>	<u>10,898</u>

Bank loans relates to £5,700k borrowed from Metro bank in 2019 at a rate of 3% above the Bank of England base rate. The average rate of interest on this loan during the year was 4.16% (2021: 3.15%). In 2019 interest payments of £88k were suspended and added to the principal borrowed. Monthly capital repayments commenced in June 2022 with final payment due in 2039.

In March 2021 the Company repaid a Coronavirus Business Interruption Loan of £3m, the interest on this loan was covered by a COVID Business Interruption Support Grant. The amount of grant received in this year was £nil (2021: £24k). In March 2021 the company borrowed £4,300k from Metro Bank with capital repayment commencing in March 2023 at a rate of 3.50% above the Bank of England base rate. The interest on this loan was covered by a COVID Business Interruption Support Grant for the first 12 months. The amount of grant received in the year was £38k (2021: £116k). The final payment will be made in 2027. The average rate of interest on this loan during the year was 3.73%.

Capital creditors relate to the debenture against the tiger enclosure held by Wates Property Services Limited. This financing arrangement was entered into in July 2019, with the final payment due in June 2029. The average interest rate on capital creditors during the year was 3.0% (2021: 3.0%)

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

MATURITY OF LOANS & BORROWINGS AND CAPITAL CREDITORS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Under one year	362	403	362	403
Between two and five years	5,515	1,873	5,515	1,873
Over five years	4,841	8,596	4,841	8,596
	<u>10,721</u>	<u>10,872</u>	<u>10,721</u>	<u>10,872</u>

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Notes to the Accounts (continued)

18. FUNDS

ENDOWMENT FUND

	£'000
1 January 2022 and 31 December 2022	100

UNRESTRICTED FUNDS

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Designated Funds				
1 January	17,441	17,543	17,441	17,543
Transfer to Designated funds from Other Unrestricted Funds	(943)	(102)	(943)	(102)
31 December	<u>16,498</u>	<u>17,441</u>	<u>16,498</u>	<u>17,441</u>
Fixed Assets	15,131	16,074	15,131	16,074
Conservation Welfare	<u>1,367</u>	<u>1,367</u>	<u>1,367</u>	<u>1,367</u>
	<u>16,498</u>	<u>17,441</u>	<u>16,498</u>	<u>17,441</u>

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

During 2019, the Trustees implemented a policy to establish a designated fund relating to tangible fixed assets. Establishing this designated fund reflects the Group's net assets are largely attributed to capitalised tangible fixed assets, which do not provide free funds which are available for use. The policy requires that an amount which equates to approximately three months of unrestricted spending expenditure is maintained in free reserves and is not designated. The carrying value of tangible fixed assets at 31 December 2022 was £34,714k (2021: £33,979k), see note 12. A reconciliation between total funds and the significant components of net assets is provided in note 20. During 2022 £1,292k have been transferred to "Other Unrestricted Funds" from "Designated Funds" (2021: £102k transferred to "Other Unrestricted Funds" from "Designated Funds"), resulting in total "Other Unrestricted Funds" of £1,204k and £750k for the Group and Company respectively (2021: £1,204k and £750k).

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Note 18 (Continued)

Revaluation Reserve	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1 January	5,034	1,852	5,034	1,852
Revaluation during the year	-	3,240	-	3,240
Annual Transfer from Revaluation Reserve to Other Unrestricted Funds	(347)	(58)	(347)	(58)
31 December	<u>4,687</u>	<u>5,034</u>	<u>4,687</u>	<u>5,034</u>
Other Unrestricted Funds				
	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1 January	1,204	1,204	750	750
Net surplus for the year	(1,436)	(194)	(1,436)	(194)
Actuarial Gain on revaluation of pension liability	146	34	146	34
Transfer from Revaluation Reserve	347	58	347	58
Transfer from Designated Funds - Fixed Assets	943	102	943	102
31 December	<u>1,204</u>	<u>1,204</u>	<u>750</u>	<u>750</u>
Total unrestricted funds	<u>22,389</u>	<u>23,679</u>	<u>21,935</u>	<u>23,225</u>

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Note 18 (Continued)

RESTRICTED FUNDS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
1st January	2,726	2,817	2,726	2,817
Income in the year	411	11	411	11
Expended in the year	(99)	(102)	(99)	(102)
31st December	<u>3,038</u>	<u>2,726</u>	<u>3,038</u>	<u>2,726</u>

	1st January 2022 £'000	Income £'000	Expenditure £'000	31st December 2022 £'000
Himalaya	2,200	-	75	2,125
Changing Places Grant	51	-	2	49
LLEP SME Growth Fund	474	-	14	460
International Zoo Management Project	-	8	8	-
National Science and Conservation Centre (NSCC)	-	403	-	403
Other	1	-	-	1
	<u>2,726</u>	<u>411</u>	<u>99</u>	<u>3,038</u>

Notes to the Accounts (continued)

Note 18 (Continued)

Himalaya

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

Changing Places Grant Fund

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

LLEP SME Growth Fund

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

International Zoo Management Project

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

National Science and Conservation Centre

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

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Notes to the Accounts (continued)

19. RECONCILIATION OF FUNDS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
(Deficit) for the year	(1,124)	(285)	(1,124)	(285)
Actuarial gains on revaluation of pension liability	146	34	146	34
Gains on revaluation of fixed assets	-	3,239	-	3,239
Opening funds	<u>26,505</u>	<u>23,517</u>	<u>26,051</u>	<u>23,063</u>
Closing funds	<u>25,527</u>	<u>26,505</u>	<u>25,073</u>	<u>26,051</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

Notes to the Accounts (continued)

21. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no guarantees or financial commitments at 31 December 2022 (2021: £nil).

22. CASHFLOW

RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2022 £'000	2021 £'000
Net (outgoing) resources	(1,124)	(285)
Depreciation & amortisation	1,783	1,210
Amortisation of loan arrangement fees	12	11
Interest expense	487	-
Movement in stocks	(187)	(9)
Movement in debtors	(198)	679
Movement in creditors	82	(183)
	855	1,423

Interest expenses of £368k are included in the net outgoing resources in 2021, however as more akin to financial cashflows are now treated as financing cashflows in 2022.

22 (b) Analysis of movement in net debt

	1 January 2022 £'000	Cash flows £'000	Interest and finance charges £'000	31 December 2022 £'000
Cash and cash equivalents	4,894	(2,432)	-	2,462
Loans	(9,864)	466	(437)	(9,835)
Finance leases	(65)	29	(3)	(37)
Capital creditors	(1,008)	150	(28)	(886)
Net Debt	(6,043)	(1,785)	(468)	(8,296)

Notes to the Accounts (continued)

23. RELATED PARTY TRANSACTIONS

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

Transactions with Zoo Park were as follows:

	2022	2021
	£'000	£'000
Zoo Park profit gift aided to parent	723	898
Intercompany rent and other recharges	527	324
Intercompany Purchases from Zoo Park	(12)	-

Dr Sharon Redrobe, CEO, was appointed a director of her wife's company, Little Soap Company Limited, on 27 April 2020. During the year Zoo Park purchased goods for resale on normal commercial terms to the value of £nil (2021: £1,016) from Little Soap Company Limited. There are no balances outstanding at the end of the year.

24. CONTINGENCIES

There are no contingent liabilities at the 31 December 2022 (2021: £ nil).

Notes to the Accounts (continued)

25. PENSION LIABILITIES

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

Principal actuarial assumptions at the balance sheet date

	Year to 31 December	
	2022	2021
Discount rate	4.80%	1.80%
RPI price inflation	n/a	n/a
CPI price inflation	n/a	n/a
Mortality (pre and post retirement)	S3PXA light table with future improvements in line with the CMI 2021 projection model were used with a long term trend rate (LTTR) of 1.5% pa (2021: 2020 projection model, with LTTR of 1.5%)	
The amounts recognised in the statement of financial position	£'000	£'000
EFRBS unfunded Liability	253	392
The amounts recognised in the statement of financial activities	£'000	£'000
Net Interest Cost	7	5
The amounts recognised in the statement of other comprehensive income	£'000	£'000
Actuarial gain/(loss) on EFRBS Unfunded Liability	146	34
	Increase in Liability	
Sensitivity analysis	2022	2021
	£'000	£'000
Discount rate decreased by 0.1%	4	7
Life expectancy increased by one year	5	11

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

For the year ended 31 December 2022, the total amount of actuarial re-measurement gain recorded in Other Recognised Gains/Losses (other comprehensive income) was £146k (2021: £34k). The net interest expense recognised in Total Expenditure was £7k (2021: £5k).