Dudley and West Midlands Zoological Society Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2021

Company Registration No.1350864
Charity No. 507221

Dudley and West Midlands Zoological Society Limited
OFFICERS

MEMBERS OF THE BOARD

Appointed members	P J Silver D H Sparks OBE P J Tart J Webb A J Taylor S K Vincent
Nominated members	M J Evans D I A Vickers (deceased 7th Feb 2022) L Taylor-Childs (appointed 16th Feb 2022)
Co-opted members	K Fuller S Woollard P I Loveday
Zoo Director	D A Grove
Zoo Manager	M R Lewis
Finance Manager	J D Ashfield

Dudley and West Midlands Zoological Society Limited
ADVISORS AND COMPANY INFORMATION

CHARITY REGISTRATION NUMBER

507221

COMPANY REGISTRATION NUMBER

1350864

AUDITOR

Crowe U.K LLP
Black Country House
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BANKERS

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Wolverhampton
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PRINCIPAL AND REGISTERED OFFICE

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Dudley
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Dudley and West Midlands Zoological Society Limited
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The Trustees, who act as directors of the Charity for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2021. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Charities SORP (FRS 102)) in preparing the Annual Report and financial statements of the Charity.

REFERENCE & ADMINISTRATIVE DETAILS

Dudley and West Midlands Zoological Society is a charitable company with shares wholly owned by Dudley Metropolitan Borough Council, structured as a charitable organisation, with a trading arm known as Dudley Zoological Services Limited and The Dudley Zoo Development Trust which raises money for animal welfare expenditure. The charity has been in existence since 1978 with the responsibility to run the zoological and historical site in Dudley, West Midlands, as set out in the Articles.

STRUCTURE, GOVERNANCE & MANAGEMENT

The Society is governed by a board of Directors (a maximum of 13), including a Chairman. The management arrangement consists of a Zoo Director and a group of senior managers who administer the day to day running of the business. The Zoo Director, Finance Manager and Zoo Manager attend the main board meetings with other managers attending as and when necessary.

The Zoo Director meets regularly with the Chairman of the board to discuss any issues and reports are produced on a monthly basis for the Directors to keep them informed of day to day operational matters, and the board of Directors meet quarterly to discuss and review the activities of the organisation against the overall strategic plan. We operate an open access policy for Directors with the management team.

As part of the infra structure sub groups are also in place, attended by specified Directors and managers to consider specific areas of the business. These include regular topic based sub group meetings for Finance & Legal, Health and Safety, and Ethics, along with task and finish sub groups set up by the board with an agreed objective and deadlines to review a particular subject or to achieve a set task. All sub groups then report to the full board at the quarterly meetings. Minutes of the board meetings are available on request. During 2021 Trustees have been given the option of attending meetings via virtual platforms such as Teams as a response to the Covid situation.

Directors are recruited through various means. By appointment through the local authority, using the Nolan process with advertisements and interviews, or by co-opting (if they have particular skills lacking within the board). The latter would all be small in numbers as the majority of Directors have a commercial background and no conflict of interest.

All Directors are inducted initially by a one to one meeting with the Zoo Director and Chairman and then by meeting with the relevant managers to enable them to fully understand the operational activities of the Society and the future objectives.

All Directors are constantly updated by the Zoo Director and external advisors concerning legal matters ensuring their knowledge of zoo licensing is adequate and they are fully aware of the implications of this unusual legislation.

Directors continue to benchmark the performance of the Society by visiting other similar organisations, which also serves as part of their professional development as a trustee. Unlike in previous years in 2021 the Trustees did not make visits to any other similar sites due to the Covid 19 outbreak and associated social distancing measures making this difficult.

The Trustees consider the Board of Directors of the Society and the Senior Management Team as being the key management personnel of the Society, responsible for directing and managing the day to day operations of the Society's activities. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in the notes to these financial statements. The remuneration of the senior management team is set by the Board of Directors using the facility of the Finance and Legal subgroup to assess their experience and qualifications and comparing it with similar roles within the sector.

The zoo licensing authority Dudley Metropolitan Borough Council (DMBC) carry out regular inspections of our operations, consisting of interim inspections every 3 years and a major inspection every 6, as well as annual health and safety inspections. We have regular liaison with DEFRA concerning various animal related legislation, which include waste disposal and movement of animals.

A full Zoo inspection took place on the 6th February 2019 and the Zoo Licensing inspection report noted that the overall impression of the zoo was very favourable, with areas for improvement set out in seven Directions, eight Conditions and six recommendations. All items have been actioned within the agreed timeframes. An interim Zoo inspection took place on 8th February 2022 which included various minor recommendations but overall expressed our continued excellent operations. The report also highlighted that the veterinary issues highlighted in the full inspection in 2019 have been successfully addressed and we operate in best practice on veterinary issues.

The Principal Environmental Officer at DMBC usually conducts an Annual Informal inspection but this was integrated into interim zoo inspection in February which the Environmental officer attended. The Principal Environmental Officer at DMBC noted the findings of the interim Zoo Licensing inspection report and gave positive feedback on all aspects of the site's operations and stated how impressed they were with the collection's continuing work in the area of conservation and education.

OBJECTIVES & ACTIVITIES

The object of the Society shall be, for the benefits and education of the public, the collection, preservation, conservation, care and exhibition on the premises of the Society of living animals and the promotion and advancement of the sciences of zoology, arboriculture, horticulture and botany and a more extended education, study, knowledge and appreciation of the animal and plant kingdoms by the introduction of new curious and endangered species belonging to them.

Dudley Zoo and Castle ('DZC') is not only home to a large collection of endangered species, but also an 11th century castle, the world's largest single collection of Tecton buildings, and an important geological site.

Our aim is to provide our visitors, via our education and conservation activities, with an understanding and awareness of all elements of this unique site, the history of the castle and the geology, the importance of the architectural design of the Tectons, and the opportunity to get closer to the world's rarest animals.

It is vital that every visitor to Dudley Zoo & Castle is informed about our conservation work with endangered species and how they can help us with the protection of these animals.

The purpose of Dudley Zoo Services is to create funds for the pursuit of the objectives mentioned above.

ACHIEVEMENTS & PERFORMANCE

The Society had another challenging year in 2021. The Covid 19 outbreak continued to adversely affect the Society by forcing the Zoo to close between early January 2021 and mid-April 2021. We have brought in some initiatives over the previous year to enable us to generate strong visitor numbers and remain as profitable as possible. We had set a target of 275,000 total visitors for 2021 but the imposed lockdown in January 2021 and subsequent closure of the Zoo and Castle for over 3 months meant we missed a large part of the year and, significantly, the busy Easter period. The Zoo re-opened on the 12th April and we experienced a good performance between April and September. In total 97 days out of a possible 364 days were lost due to the Covid 19 pandemic in 2021. In 2021 we welcomed 228,255 total visitors to the Zoo and Castle compared to 196,787 total visitors in 2020. In 2021 total visitor numbers were 16% up on the previous year.

The Society achieved a surplus after depreciation of £1,680,769 (2020: £102,916 surplus). In the year the Society received grants from the Defra Zoo support fund (£505,366 – which has been used in the year on the animal welfare costs) and £386,750 of Covid support funding from the Local Authority. The Society also received £250,000 from an insurance settlement in respect of the Covid outbreak. The net effect of these activities is a surplus of £1,142,116. The amended result for the Society after taking this into account is a surplus of £538,653 from the surplus of £1,680,769. This represents a more realistic picture of the Society's financial performance in 2021.

It remains our long term strategy to utilise our surplus to improve and develop the site, to maintain it as a quality visitor attraction.

Despite the ongoing Covid situation in 2021 we were able to improve some areas of the site. In May 2021 we completed our new Cassowary enclosure in time to welcome a male bird of this fascinating species, which is a new species to Dudley Zoo and Castle. We completed a macaque exhibit in the Zoo in July 2021 to house a separate group of this important animal.

Towards the end of the summer we started work on the outdoor Orangutan enclosure which is part of the planned development programme within the Society's strategy. The funds for this have been set aside in our designated funds to protect the project from any uncertain external factors.

The Castle Creatures exhibit gives an extensive history of Dudley Castle and includes educational and interactive items for visitors. This has been very popular with visitors and provides a valuable facility for educating our visitors on, not only the history of the castle, but on how people co-existed with animals in medieval times. Due to the fact that this exhibit is inside it was closed for large parts of 2020 and 2021 but was opened again once restrictions eased and is proving popular with visitors.

We have taken part in a Visitor Attraction Quality Scheme for many years as this scheme provides an unbiased viewpoint of our visitor experience by industry professionals, who produce a full assessment and written report of their visit. The VAQAS accreditation enables us to monitor our performance against ever changing customer expectations. The assessor will replicate our customer experiences throughout all aspects of our attraction, including customer/staff interactions. This year's annual assessment was undertaken in June 2021 and showed an improvement from the previous assessment in 2019. This was a significant achievement given the challenges that Covid has presented to the organisation.

In 2021 we again took the difficult decision not to run our Santa's grotto. In 2020 we also didn't undertake Santa's grotto due to the uncertainty brought about by the Covid pandemic.

We have undertaken our annual review of the Long Term Development Plan for the site to see how Covid continues to impact this. The plan prioritises projects into low, medium and high categories, and aims to tackle all the highest priority projects within a period of five years. The plan covers all redevelopment projects, specifically building restoration, visitor services and animal exhibits and will require financing from the operating surplus, fund raising and grants.

Some of the development plans have been affected by the Covid situation by being delayed but we very much plan to continue with the development plans. We have had to be more flexible with the timeframes around doing the projects and continue to analyse how the development plans can be progressed.

The Zoological Society has a strategic vision document outlining the detailed aims of the Society and included within that is the Castle Hill Vision which highlights all the projects that we are seeking external funding assistance for.

In 2016 one of our keepers assisted with the Selamatkan Yaki project conservation project in Sulawesi for Black Crested Macaques and they have continued to support this project in 2021 in the role of UK co-ordinator. In November 2018 Dudley Zoo hosted a Macaque workshop which included delegates from all over Europe to develop husbandry techniques for the Macaque species and debate conservation issues in general. Unfortunately the chance to attend workshops in 2021 still remained limited. We virtually attended the BIAZA mammal working group, EAZA conference and the DMZAA annual meeting. Some of our keepers attended a course on positive reinforcement training with chimps, a virtual webinar run by project chimps in America.

In 2021 we continued to have success with our breeding programmes. Notable births included 3 rainbow lorikeets, a cinnamon teal, a crested wood partridge, a Bactrian camel, a grey capped emerald dove, 2 Dumeril's boa constrictors, a gelada baboon, a pygmy marmoset, an emperor tamarin, a red crested turaco and a ring tailed lemur. We have welcomed a male Orangutan from Aalborg zoo in Denmark to join our 2 females and introduced a male Cassowary into the zoological collection. Coming into the collection we welcomed at DZC a mellers duck, 7 sun conures, a scarlet ibis, some green aracari, 6 Cameroon sheep, 2 fire skinks, a male reindeer and some white's tree frogs.

Due to the continued impact of the Covid crisis we were restricted in our fund raising events in 2021
We continued to support the Wild Camel Protection Foundation which works with the last remaining population of wild Bactrian camels. We have sponsored the care of a baby camel which has subsequently been named 'Dudley' by those working at the centre in Mongolia.

Awareness days have been a vital tool in previous years for giving visitors a proper understanding of the species that are at risk in the wild and specifically gives a single species a whole day or weekend where the focus is completely on them. Unfortunately the Covid 19 pandemic made it difficult to run these days as they rely on us being able to host visitors as well as having areas to have conversations with our visitors which were no longer suitable due to social distancing regulations. We have been trying to explore different ways of engaging with our visitors which has mainly been done through digital platforms.

In June we usually run an Under 5's days which offers entertainment on site for a specific audience of young children at a reduced cost but this was cancelled in 2021 due to the Covid restrictions still in place at the time.

The site also hosts a number of ghost tour operators who use the site to entertain visitors about the ghostly events at this historic location, however due to the Covid restrictions these have been either limited in number or cancelled.

We successfully ran 3 film nights at DZC in 2021 after not being able to do so the previous year due to Covid.

The annual classic car returned in September 2021 and was held in the castle courtyard after having to be cancelled in 2020. This event proved popular with our visitors and helps highlight the local heritage.

KEY PERFORMANCE INDICATORS

Visitor Numbers – We budgeted to achieve 275,000 (2020: 320,000) Total Visitors and actually achieved Total Visitors of 228,255 (2020: 196,787). This was a good achievement as we achieved 83% (228,255/275,000) of our target even though we were only open for 73% of our usual time (267 days out of 364).

Paying Visitor Numbers – We budgeted for 225,000 (2020: 250,000) Paying Visitors and actually received 194,030 (2020: 168,088) Paying Visitors. A good performance considering we achieved 86% (194,030/225,000) of the budget even though we were only open for 73% (267/364 days) of our usual available time.

Admissions Income – In 2021 we actually achieved £2,938,577 (2020: £2,232,578) against a budget for 2021 of £3,012,000 (2020: £2,747,000). We achieved 98% of our Admissions Income target in 2021 (£2,938,577/£3,012,000) even though we were only open for 73% of the usual available time (267 days out of 364).

Take per Head ("TPH") for retail operation - We aimed in 2021 to achieve a TPH of £1.63 (2020: £1.64) and actually achieved £2.34 (2020: £1.67).

Education Numbers – We achieved 4,200 (2020: 1,748) against a budget of zero (2020: 19,000).
The resurgence of Education numbers is mainly due to schools wanting to come for general visits but some have undertaken workshops as well. This is a positive sign after the adverse impact of the coronavirus on this part of the organisation in 2020.

FUNDRAISING

The Society does not normally undertake material fundraising activities and does not employ or use the services of any professional fundraisers, nor is the Society subject to a voluntary scheme for regulating fundraising. During the year the Society received no complaints in respect of its fundraising practices. In response to the Covid outbreak and subsequent zoo closure the society set up a series of fundraising schemes, mainly through digital platforms such as Justgiving, as a safe way for people to donate to the zoo. This has continued in 2021.

ACHIEVEMENTS AGAINST OBJECTIVES

It is the aim of the Society to deliver talk times to all our visitors as a way of educating them. Over the years we have built up an extensive talk times programme, which gave daily talks on approximately 10 species of animals and also history walks which inform visitors about some of the history of the site. Unfortunately these talk times and walks attract crowds and therefore due to Covid social distancing regulations we had suspended them, along with the castle tours. Later in 2021 we were able to reintroduce some of these talks which have proved very popular with visitors and are an essential in educating people about conservation.

We are currently undertaking various techniques to deliver virtual conservation and educational messages. We are doing weekly 'conservation matters' videos on social media, where we focus on a particular species each week to talk about, with particular interest in their conservation status. We have made online talks which people can connect to using QR codes on their smart devices around the zoo site. These codes will be located at all major animal enclosures to give people the opportunity to learn more about the species. By doing the talks this way we can consistently add to the talk times over time and offer more talks than we ever done before.

The Zoo's development is set out in a 10 year Long Range Site Development Plan which is reviewed and updated annually to reflect physical changes, in order to meet welfare requirements, and to allow us to achieve our aspirations while retaining the zoo's commitment to conservation, education, scientific study and recreation. In 2021 we were confident enough in our financial position to proceed with our long term aim of developing the outdoor Orangutan enclosure to improve the welfare and habitat of these endangered species.

PUBLIC BENEFIT

The Directors are conscious of providing benefit for the local population and that of the region. We offer reduced rates for groups, education visits, young people, senior citizens, special needs groups and those with a disability to ensure we have a diverse appeal. Disabled guests are entitled to a free admission for their carer. We see our conservation work in terms of both animals and buildings and the knowledge this imparts to society in general as an important part of our activities.

We have in previous years regularly donated admission tickets to local bodies as contributions for fund raising activities. This ranges from schools and church fetes to other charitable organisations. We have had to curtail this during the Covid 19 pandemic but towards the end of 2021 we have been able to contribute again to local projects by providing tickets for prizes.

The Society works very hard to raise awareness of the plight of endangered species through our educational work for all visitors and also by our support of various organisations in the UK and abroad.

We are continuing to co-ordinate the Black Lemur (European Endangered Species Programme). This is the 30th year that we have managed the studbook for this important species.

PUBLIC BENEFIT (continued)

We support in-situ conservation projects such as Madagascan Lemurs (AEECL) and have continued to financially assist a project in Madagascar which funds 9 teachers to educate the local population about conservation. We contribute financially to The Yellow-breasted Capuchin Monkey Conservation Program (ZGAP) and also have an annual commitment to AB Conservation – a study programme for Binturongs and to a Natural History study into geladas and herpes. In August 2021 we contributed to the International Snow Leopard Trust. This is the third year of a five year commitment to supporting research and conservation in wild Snow Leopards across their natural range. Although the Society has been adversely affected by the Covid outbreak we still felt it was necessary to support projects that we have made a commitment to. We have also financially supported various animal conservation charities as we recognise that these are financially challenging times for these organisations as well, and it's important to support them.
In 2021 we donated to the Wildcats Conservation Alliance after a direct appeal to help fund conservation work with Sumatran Tigers, which we also house here at the zoo.

We took the decision in 2019 to commence with significant financial support to the Save the Tasmanian Devil program which is responding to the threat of extinction of the Tasmanian devil due to Devil Facial Tumour disease. We have continued this financial support in 2021.

Alongside these International projects we continue to champion work for Native Species. We provide practical and financial assistance for various projects.
In 2019 we began detailed bat surveys on key locations around our site and have established that the site contains at least 10 species of bat. We continued bat surveys with local bat conservation trust group Brumbats on both big ben cavern and stores cavern where we conducted DNA sampling on multiple species of the Myotis family as well as the locally rare Lesser Horseshoe bat where we are believed to be on the edge of its northern range in the UK. This DNA work is feeding into a PHD project being conducted at the University of Wolverhampton to distinguish if these bats are moving across the Birmingham and Black Country region or if they are restricted by the growing metropolitan area around them into smaller pocket populations. The findings of this project will have huge implications for conservation planning in the area and has really put Dudley Zoo on the map as one of the only regions in the country conducting such bat surveying methods.

The Zoo works closely with the West Midlands Birding Club to survey what bird species we have on site. In this year we continued bird ringing thanks to the help of a keeper at DZC who holds a C licence for bird ringing, allowing us to conduct our own bird ringing on the zoo site. Unfortunately the bird ringing efforts have been disrupted during winter periods due to avian influenza outbreaks at the start and end of 2021.
In the past we have managed to catch and ring many species including migratory birds such as redwing and fieldfare and also recapture more local species to show that individuals were returning to the zoo site, proving it is an excellent habitat for these animals.

We also planned to set up a bee hive on site with a local apiarist to aid local pollinators. However due to the zoo closure and social distancing restrictions we are now hoping to conduct this work in 2022 as well as working with other local wildlife groups.

In 2019 we sponsored a university student for the duration of their course. We are now in the final year of this three year commitment.

We also take great care of the listed buildings and the grounds of the Castle, which is a scheduled monument. The Tecton buildings are now recognized to be of World importance.

Our arrangement with the local college to provide in-house practical training in conjunction with their animal management courses had to be cancelled in 2021 due to the closure of the Zoo and the Covid restrictions in place. We are optimistic that this valuable training will be reintroduced in 2022 as it is popular with the students and gives them invaluable practical experience.

PUBLIC BENEFIT (continued)

Several events that we have historically undertaken have not taken place in 2021 due to the Covid-19 pandemic.
We have strong links to the community and usually participate in many local festivals and events. We visit local schools and educate pupils on our conservation work and also give guidance to pupils on careers in animal welfare. This has all been adversely affected by the Covid-19 outbreak. In the past we have promoted the zoo's conservation message to a wider audience within the community by undertaking educational outreach programmes throughout the year. Unfortunately this has not been possible in 2021 due to Covid.

We support an organisation called The Friends of Dudley Castle by providing facilities for their meetings and offering access to the site for this important historic group.

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Charity and in planning future activities for the year.

SOCIAL INVESTMENT POLICIES

We participate in many events and activities in the community and contribute to society in general by being an employer and by having a positive impact on the local economy as many of our suppliers are from the local vicinity.

VOLUNTEERS

During 2021 we had no volunteers at Dudley Zoo and Castle. We have had volunteers in previous years and acknowledge that they add considerable value to the organisation but none were used in the last year.

Note 7 details the value in financial terms of the contribution that the volunteers make to the organisation.

FINANCIAL REVIEW

Income for 2021 of £6,069k (2020: £4,208k) is an increase from 2020 and indicates that the Society is coping well with the continued issues that the Covid pandemic brings. Even though we were closed for a large part of early 2021 (97 days), due to the government imposed lockdown, we were still able to achieve a good level of income in the year. Income from charitable activities was £3,604k in 2021 which is an increase of 43% from last year's figure (£2,512k).

The trading activities of the subsidiary have continued to be affected by the Covid 19 pandemic in the same way as the charity, but the change in the VAT rate to 5% has helped enormously. A reduction in visitors, due to the closure of the zoo has had repercussions for secondary income levels and although we are down on normal levels we are at least up on the previous year. Income from trading activities of £1,185k was 61% up 2020 (2020: £738). We have only been able to generate limited income from events as we have had to cancel many events such as Under 5's days, Santa's grotto and Halloween nights to name but a few. Retail income in 2021 (£532k) was 62% up on previous year (2020:£329k) which is a good performance given the reduction in visitor numbers.

Catering income in 2021 (£620k) is 53% up on 2020 (£404k) and highlights the effect the reduction in the VAT rate is having on the hospitality income. Like in 2020 we had to close the restaurant for part of the year and sell from kiosks. The Trading Services company has achieved a profit and will gift aid £269,000 in respect of 2021 profits to the Society (2020: £41,544k).

We have strived to save costs where possible, however many of our fixed overheads relate to the caring of the animals on site which cannot be easily altered. We have been able to utilise the governments Job Retention Scheme and kept maintenance jobs around site to a minimum, especially in the early part of the year.

In previous years interest received has been steadily growing as our cash reserves have been built up in expectation of undertaking some major projects. However in 2021 interest rates were very low and cash reserves were depleted due to the impact of the Covid situation. As a result we have only achieved £1,276 of interest compared to £5,953 in 2020. We have therefore only earned a nominal figure during the 12 month period.

Despite the challenges presented by Covid cash remained positive throughout the year standing at £3,693k at 31 December 2021 (2020: £1,908k).

This site is an unusual and expensive site to manage compared to a normal operating zoo, having listed buildings and a scheduled monument. The Society receives an annual Dudley Castle Maintenance Grant from DMBC of £150k (£150k during 2020) as a contribution to maintaining the upkeep of the scheduled monument and the surrounding grounds. In 2019 this maintenance grant was treated as a restricted fund within the accounts and had a balance of £146k brought forward from 2019. Given the huge financial pressure that the Covid 19 pandemic has brought DMBC has since released the restriction so it can be used to support all of the site's core functions. This will be the case for the financial years of 2020 and 2021. After that the grant will once again be treated as a restricted fund to support the castle maintenance cost base.

PLANS FOR THE FUTURE

We continue to invest in the charity with the funds created from surpluses and it is expected that despite the difficulties that Covid has presented we will create enough funds in the future to enable significant capital expenditure around the site. The long term aim is to continually regenerate the site, in particular the animal welfare part, and to invest in new revenue streams that will increase visitor numbers and income. This will in turn strengthen the long term financial position.

Combined with this plan of internal growth and investment is a desire to attain external funding where possible to provide additional capital to improve the site.

INVESTMENT POLICY

The Charity retained investments in cash based funds during the year. Interest has been earnt from fixed rate savings accounts, a 35 day notice account and our Special Interest account, which totalled £1,276 (2020: £5,953) in the year. In prior years this investment fund would be used for continuing development; however it is obvious that £1,276 is insufficient for any major project. In 2017 a new investment policy was created in conjunction with a task based sub group to monitor and control fixed rate savings accounts for the benefit of maximising the Society's cash deposits. This is still monitored under the remit of the Finance and Legal sub group.

INVESTMENT POWERS

Under the memorandum and articles of association the Society has the power to make any investments which the Directors think fit.

RISK MANAGEMENT

The Directors continuously review the major risks and have developed systems to monitor and control these risks to mitigate any impact they may have on the Society in the future.

In particular the Society carries out an annual risk assessment, in the form of a Corporate Risk Management document, to assess what risks the charity may face. These risks are prioritised into categories and we have contingency plans in place with action plans and procedures to mitigate those risks. We have also designed controls that can be implemented should any risks materialise.

Our risk management strategy is administered by the Directors in conjunction with the Society's management team and is reviewed at the Finance and Legal sub group meeting.

The key risks identified by the Directors are:-

- Protection of the Society's assets including its reserves, which is addressed through appropriate governance, relevant insurance and regular reviews.
- Stability of commercial income to cover operating costs, provide funding for our charitable aims and investment for our capital expenditure programme. This is addressed by looking to diversify income streams, and by continually monitoring income and expenditure, general reserves and cash flow forecasts.
- A major operational issue impacting public safety and causing reputational damage which is addressed through documented operational procedures which are regularly tested, health and safety training, and routine inspections.

In 2021 the Directors and management of the Society have had to regularly assess the impact of the Covid outbreak and the unprecedented risks to the business this has brought. The main risk to the Society is the impact on cash reserves. The Society carefully monitors its cash position and has benefitted from various funding and has tried to save money by utilising the governments furlough scheme. The Society has benefitted from various funding sources in 2021 which has strengthened the cash position of the Society.

RESERVES

The Directors have reviewed the reserves of the charitable company. This review encompassed the ownership of the shares, the nature of the income and expenditure streams, the need to match variable and seasonal income with fixed commitments, and the nature of reserves. The review concluded that the charitable company is in a good position to continue to operate as a self-sustaining business despite the pressures of the Covid crisis in 2020 and 2021.

The consolidated reserves of the Society at 31 December 2021 were £6,083,229. This includes £1,024,671 of restricted funds not available for general purposes of the Society at the end of the reporting period. At 31 December 2021 Dudley Zoo and Castle is reporting unrestricted funds of £5,058,458. After making allowance for designations of £1,500,000 and the carrying amount of fixed assets the Society has free reserves of £1,281,634 (2020: £61,335). The Directors aim to maintain reserves of £750k which covers approximately three months of expenditure. We have been able to rebuild our free reserves through our performance in 2021 and by benefitting from funding in the year.

The Designated Fund of £1.5m is to be used in the next 2 to 3 years on the following projects; tiger enclosure - £450k, Giraffe house and enclosure - £230k, African Wild Dog enclosure - £120k, Orangutan enclosure - £200k and the Chimpanzee Enclosure - £500k. We feel it will be necessary to increase the level of Designated Funds and reserve cover for Capital projects in the next 12 months as the level of net current assets has increased and will better reflect our future Capital Expenditure programme which has 4 major projects lined up for the next 3 to 5 years.

GOING CONCERN

The Society will always aim to achieve a surplus and this is then reinvested back into the Society to sustain growth and achieve the Society's objectives. Historically the Society has made surpluses and plans to in the future. It is the view of the Directors and management that the Covid pandemic has effected the organisation in 2020 and 2021 but conditions are returning to the point where the business can make surpluses going forward. In this respect the Directors see the organisation as a going concern.

The Covid-19 outbreak has caused considerable disruption to the Society during 2020 and 2021. As a result of the government imposed lockdowns we have had long periods of closure which has impacted the Society's ability to generate income. The Society has continued to utilise the Job Retention scheme in 2021 and has closely monitored operational costs to ensure we mitigate the loss of revenue where appropriate. In 2021 we have achieved good levels of income, when we have reopened, and have benefitted from an insurance settlement and some funding support from various sources that have significantly strengthened our financial position.

Management has regularly assessed the group's financial position through financial modelling forecasts. The financial plans assume levels of income returning to pre-Covid levels in 2022 and the subsequent budgets and cash flow forecasts indicate that the position of retaining cash reserves to cover at least 3 months operational expenditure will be maintained throughout 2022.

On 15th March 2021 Dudley Metropolitan Borough Council wrote to the Board of Directors and stated that in its capacity as both owner and shareholder of the Society and its subsidiary, the Council recognised its legal obligation to make good trading losses whilst the Society continues to operate in its current form. It continued with confirmation of the intent of the Council to work with third parties to inject capital investment into the greater Castle Hill area and secure the long term future of the Society. The letter also makes a commitment to support the Society, subject to certain conditions. We have since received a letter on the 21st March 2022 confirming this continued support until 31st March 2023.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Report of the Trustee's and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors 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 directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Crowe U.K. LLP have indicated their willingness to continue in office and will be proposed for reappointment at the AGM.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board

D H Sparks OBE
Director
31.5. 2022

Opinion
We have audited the financial statements of Dudley and West Midlands Zoological Society Limited (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statements of Cash Flows and notes to the financial statements, including accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' report.

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

- adequate and sufficient accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees
As explained more fully in the Statement of Directors' responsibilities set out on page 15, 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 they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and 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 the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were Zoo Licensing Act 1981, Health and safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. Our audit procedures to

respond to these risks included enquiries of management, and the Finance & Legal Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dave Darlaston (Senior Statutory Auditor)
For and on behalf of Crowe U.K. LLP, Statutory Auditor
Chartered Accountants
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date 6 June 2022

Dudley and West Midlands Zoological Society Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

	Notes	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:						
Donations and Legacies	2	590,245	-	687,823	1,278,068	956,886
Charitable Activities	3	3,604,381	-	-	3,604,381	2,507,549
Other trading activities	4	1,185,261	-	-	1,185,261	737,733
Investments		1,276	-	-	1,276	5,953
TOTAL		**5,381,163**	**-**	**687,823**	**6,068,986**	**4,208,121**
EXPENDITURE ON:						
Raising Funds	5	1,033,351	-	-	1,033,351	753,343
Charitable Activities	5	2,523,607	-	831,259	3,354,866	3,351,862
TOTAL	5	**3,556,958**	**-**	**831,259**	**4,388,217**	**4,105,205**
NET INCOME/(EXPENDITURE)	6	1,824,205	-	(143,436)	1,680,769	102,916
Transfers between funds	15	(500,000)	500,000	-	-	-
Net movement in funds		1,324,205	500,000	(143,436)	1,680,769	102,916
Fund balances brought forward at 1 January 2021		2,234,253	1,000,000	1,168,107	4,402,360	4,299,544
Fund balances carried forward at 31 December 2021	15/17	**3,558,458**	**1,500,000**	**1,024,671**	**6,083,129**	**4,402,360**

The net group income and expenditure and the resulting net movement in funds arise from continuing operations.

There are no recognised gains or losses other than the net movement in funds for the year.

Dudley and West Midlands Zoological Society Limited

CONSOLIDATED BALANCE SHEET

31 December 2021 Company Registration No. 1350864

	Notes	31 December 2021 £	31 December 2020 £
FIXED ASSETS			
Tangible assets	9	3,301,595	3,341,125
CURRENT ASSETS			
Stocks	11	102,352	78,070
Debtors	12	154,218	167,445
Cash at bank and in hand		3,692,519	1,908,445
		3,949,089	2,153,960
CREDITORS: Amounts falling due within one year	13	(597,455)	(482,625)
NET CURRENT ASSETS		3,351,634	1,671,335
TOTAL ASSETS LESS CURRENT LIABILITIES		6,653,229	5,012,460
CREDITORS: Amounts falling due after more than one year	14	(570,000)	(610,000)
NET ASSETS		6,083,229	4,402,460
FUNDS			
Restricted funds	15	1,024,671	1,168,107
Unrestricted funds			
Called up share capital	16	100	100
General income funds	17	3,558,458	2,234,253
Designated funds	17	1,500,000	1,000,000
TOTAL FUNDS EMPLOYED		6,083,229	4,402,460

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 19 to 43 were approved by the board of directors and authorised for issue on 31. 5. 2022 and are signed on its behalf by:

D H Sparks OBE
Director

Dudley and West Midlands Zoological Society Limited

COMPANY BALANCE SHEET

31 December 2021 Company Registration No. 1350864

	Notes	31 December 2021 £	31 December 2020 £
FIXED ASSETS			
Tangible assets	9	3,301,595	3,340,886
Investments	10	3,012	3,012
		3,304,607	3,343,898
CURRENT ASSETS			
Stocks	11	10,234	10,202
Debtors	12	116,693	163,957
Cash at bank and in hand		3,599,115	1,820,825
		3,726,042	1,994,984
CREDITORS: Amounts falling due within one year	13	(453,668)	(443,527)
NET CURRENT ASSETS		3,272,374	1,551,457
TOTAL ASSETS LESS CURRENT LIABILITIES		6,576,981	4,895,355
CREDITORS: Amounts falling due after more than one year	14	(570,000)	(610,000)
NET ASSETS		6,006,981	4,285,355
FUNDS			
Restricted funds	15	1,024,671	1,168,107
Unrestricted			
Called up share capital	16	100	100
General income funds	17	3,482,210	2,117,148
Designated funds	17	1,500,000	1,000,000
TOTAL FUNDS EMPLOYED		6,006,981	4,285,355

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The result of the parent charity was a net increase in funds of £1,721,626 (2020: net increase in funds of £235,712).

The financial statements on pages 19 to 43 were approved by the board of directors and authorised for issue on 31.5. 2022 and are signed on its behalf by:

D H Sparks OBE
Director

Dudley and West Midlands Zoological Society Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net cash provided by operating activities	2,096,398	636,656
Cash flows from investing activities:		
Interest	1,276	5,953
Proceeds from sale of fixed assets	-	-
Purchase of property, plant and equipment	(313,600)	(748,520)
Net cash (used in) investing activities	(312,324)	(742,567)
Cash flows from financing activities:		
Repayments of borrowing	-	-
Net cash used in financing activities	-	-
Change in cash and cash equivalents in the reporting period	1,784,074	(105,911)
Cash and cash equivalents at the beginning of the reporting period	1,908,445	2,014,356
Cash and cash equivalents at the end of the reporting period	3,692,519	1,908,445
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	1,680,769	102,916
Adjustments for:		
Depreciation charges	353,130	337,925
Interest received	(1,276)	(5,953)
Profit on the sale of fixed assets	-	-
Increase in stocks	(24,282)	10,887
(Increase)/decrease in debtors	13,227	(31,585)
(Decrease) in creditors	74,830	222,466
Net cash provided by operating activities	2,096,398	636,656
Analysis of cash and cash equivalents		
Cash in hand	3,692,519	1,908,445
Total cash and cash equivalents	3,692,519	1,908,445

Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	1,908,445	1,784,074	3,692,519
Debt due within one year	40,000	-	40,000
Debt due after one year	610,000	(40,000)	570,000
	2,558,445	1,744,074	4,302,519

GENERAL INFORMATION

Dudley and West Midlands Zoological Society Limited ("the Society") is a charitable company limited by shares and is incorporated in England and Wales (Company registration number 1350864 and charity number 507221). The address of the Society's registered office and principal place of business is Castle Hill, Dudley, DY1 4QF.

The Society's principal activity is the operation of a conservation based organisation for the benefit and education of its visitors to promote the primary themes of zoology, history and architecture.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

BASIS OF ACCOUNTING

a) Basis of accounting

The financial statements have been prepared in accordance with 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.

Dudley and West Midlands Zoological Society Limited meets the definition of a public benefit entity under the Charities Act, assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

BASIS OF CONSOLIDATION

These financial statements consolidate the financial statements of Dudley and West Midlands Zoological Society Limited ("the Society") and its subsidiaries, Dudley Zoo Services Limited and Dudley Zoo Development Trust ("the subsidiaries") all of which are made up to 31 December 2021.

The financial statements consolidate the results of the Charity and its wholly owned subsidiaries on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006. The unconsolidated profit of the charity was £1,721,626 (2020: £235,712).

All intra-group transactions, balances and unrealised gains on transactions between Group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

ANIMALS

The animals are acquired by the Society from other zoological organisations at zero cost or bred at our zoo and a realistic valuation cannot be placed thereon. Many of the animals acquired are held in trust with other zoological societies at zero cost.

STOCKS

Stocks on hand of consumables and items for resale are stated at the lower of cost and estimated net realisable value. Net realisable value is based upon estimated selling prices less costs of disposal. Provision is made for obsolete and slow moving items.

DONATED FACILITIES

The Society leases the site from Dudley Metropolitan Borough Council. The lease was renewed in March 1984 for a term of 96 years, at market rent which is currently £200 per annum (including the additional lease agreement for the car park). The Trustees do not believe it is practical to reasonably quantify and measure the benefit conferred to the Society under the arrangement due to the Zoo's unique location and as such have not included the value of the donated facilities within the Consolidated Statement of Financial Activities.

TANGIBLE ASSETS AND DEPRECIATION

Other than for interests in land as stated above, tangible fixed assets are capitalised at cost and depreciated from the date that they are brought into use. From time to time a major capital project may not be completed and thus is not in use at the end of the accounting period. In such a case the policy is to capitalise the expenditure to date and show it separately as a capital project under construction within tangible fixed assets but no depreciation is provided until the project is completed and available for use.

Depreciation is calculated to write down the net original cost of the tangible fixed assets by equal annual instalments over its anticipated useful life to its then estimated residual value.

Individual assets under £1,000 are not capitalised.

The depreciation rates used are:

	%
Office Buildings	5% straight line
Animal enclosures	6.66% straight line
Service areas	10 - 20% straight line
Fixtures, fittings and office equipment	10% straight line
Motor vehicles - commercial	20% straight line
- cars	20% straight line
Computers	20% straight line

INVESTMENT IN SUBSIDIARIES

The investments in the subsidiaries are stated at cost less impairment.

HERITAGE ASSETS

The Castle and other heritage assets are located on the Zoo site. The Trustees do not consider that reliable cost or valuation information can be obtained for these assets, because of the unique features of the assets held and the lack of comparable market values. Furthermore, the Trustees believe the cost of obtaining a valuation of these assets would be onerous compared with the benefit that would be derived by users of the financial statements in assessing their stewardship of the assets. The Society does not therefore recognise these assets on its balance sheet.

FINANCIAL INSTRUMENTS

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

Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Commitments to receive a loan are measured at cost less impairment.

TAXATION

The Society is a Registered Charity and undertakes activities which, under present legislation, are not subject to Corporation Tax. The Society's subsidiary, Dudley Zoo Services Limited, is not a Registered Charity and undertakes trading activities within the meaning of the Taxes Acts and is liable to Corporation Tax. Typically, however, the subsidiary gift aids all its taxable profits to the Society and as a consequence no provision is usually required for the payment of Corporation Tax either current or deferred.

FUND ACCOUNTING AND RESERVES

Restricted funds are only expendable by the Directors in accordance with the donors' directions. Unrestricted funds are expendable at the discretion of the Directors in furtherance of the objects of the Society. Certain of these funds, at the discretion of the Directors, may be transferred to funds to be used for particular purposes and become designated funds.

CONTRIBUTIONS TO PENSION FUNDS

The Society operates money purchase pension schemes which all employees may join after having served for a qualifying period. Both the Society and the employee make defined contributions to purchase the employees individual pension. All such contributions are held in separate trust funds which are independent of the Society's finances. The pension costs charged against the Society's results represent the amount of the Society's contributions payable to the schemes in respect of the accounting period.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Pension contributions are included in unrestricted expenditure.

BASES AND DEFINITION OF INCOME AND EXPENDITURE

Income:

Income is the total amounts, excluding VAT but including Gift Aid if applicable, received or receivable by the Society which are recognised in the financial statements as follows:-

Income from charitable activities:

Zoo operating income – recognised on a received basis from admission and entry charges including gate receipts, concessionary group and special offer admissions, season tickets and car park fees.

Donations and legacies:

Donation and gifts – recognised on an accruals basis to the extent that the Society has been notified it will receive a donation or gift of a determined amount or the donation or gift has been received. Donations and gifts, whether general, designated or restricted, arise from a number of sources which include members, Dudley Zoo Development Trust, special appeals and the general public.

Government and other grants – grants for upkeep of the site and reimbursement of costs previously incurred are recognised immediately.

Gifts in kind, if material, are included at an estimate of market value.

Other trading activities:

Rental income received – recognised on an accruals basis from the letting of land and property not immediately required for use by the Society.

Retail and catering – income represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Investments:

Bank interest – recognised as the amount receivable during the year.

Expenditure:

Costs of charitable activities – this includes all costs for the support of zoo animals in accordance with best recognised husbandry practices, keeping them in the appropriate habitats and maintaining the infrastructure of the zoo. Also included are costs incurred that ensure that all the Charity's objects are achieved such as those relating to the preservation and conservation of wildlife, and of education, science, and recreation together with the costs of the good stewardship and management of the Society's assets, organisation, administration and compliance with statutory requirements and those of good practice.

Basis of allocation of support costs – support costs are allocated between activities on a resource used basis so far as possible. The most significant costs arise from payroll costs and some of these costs may arise from individuals who carry out multi-functions. Where such costs are incurred and shared over a number of expense categories estimates have been made based primarily on time occupied by the individual concerned. Similarly with shared non-payroll costs the basis of allocation is based primarily on an assessment of the benefit derived from the cost by each expense head.

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Volunteer costs

The value of services provided by volunteers has not been included in these financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

The directors do not consider that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

GOING CONCERN

The Society aims to achieve a surplus and this is then reinvested back into the Society to sustain growth and achieve the Society's objectives. Historically the Society has made surpluses and plans to in the future.

On 15th March 2021 Dudley Metropolitan Borough Council wrote to the Board of Directors and stated that in its capacity as both owner and shareholder of the Society and its subsidiary, the Council recognised its legal obligation to make good trading losses whilst the Society continues to operate in its current form. It continued with confirmation of the intent of the Council to work with third parties to inject capital investment into the greater Castle Hill area and secure the long term future of the Society. The letter also makes a commitment to support the Society, subject to certain conditions. We have since received a letter on the 21st March 2022 confirming this continued support until 31st March 2023.

Since the significance of the economic impacts of the COVID-19 outbreak have become apparent, the Directors have reviewed in detail the Charity's position and the appropriate basis on which to prepare the financial statements. The Directors have considered projections to the end of 2022, together with a longer term assessment, to stress test the financial resilience of the Charity which take into account the potential changes in income over this period. Whilst the Directors recognise that 2021 has been a challenging year, they recognise that a significant surplus has been achieved as a result of good income performance, various funding support and an insurance settlement which has significantly strengthened the Society's financial position. As a result the Directors have considered that it remains appropriate to prepare the financial statements on a going concern basis. The ongoing stress testing of the Charity's financial position has satisfied the Directors that it has adequate reserves and strategies to deal with any future impacts caused by Covid-19 or any other unexpected factors.

1 COMPARATIVE INFORMATION – CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income from				
Donations and legacies	306,552	-	650,334	956,886
Charitable activities	2,507,549	-	-	2,507,549
Other trading activities	737,733	-	-	737,733
Investments	5,953	-	-	5,953
TOTAL	**3,557,787**	-	**650,334**	**4,208,121**
EXPENDITURE ON:				
Raising Funds	753,343	-	-	753,343
Charitable activities	3,043,252	-	308,610	3,351,862
TOTAL	**3,796,595**	-	**308,610**	**4,105,205**
NET INCOME/(EXPENDITURE)	(238,808)	-	341,724	102,916
Transfer between funds	146,030	-	(146,030)	-
Net movement in funds	(92,778)	-	195,694	102,916
Funds brought forward 1 January 2020	2,327,031	1,000,000	972,413	4,299,444
Funds carried forward 31 December 2020	**2,234,253**	**1,000,000**	**1,168,107**	**4,402,360**

2 DONATIONS AND LEGACIES

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Unrestricted		
DMBC – Maintenance Grant	150,000	150,000
DMBC – Covid19 Grant	386,750	3,000
Donations	53,495	153,552
	590,245	306,552
Restricted		
Getty Foundation	-	120,000
Defra Zoo Fund	505,366	-
LEP Grant	-	300,000
Govt. Grant - JRS	119,070	163,607
Apprenticeship Fund	5,000	-
Donations and gifts	58,387	66,727
	687,823	650,334
	1,278,068	956,886

3 INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Admissions, season tickets and associated gift aid	2,938,577	2,232,578
Car park and other income	665,803	274,971
	3,604,380	2,507,549

4 OTHER TRADING ACTIVITIES

The Society has a wholly owned trading subsidiary, Dudley Zoo Services Limited (Company number 1350863), which is incorporated in the UK. The principal activity of this company is that of providing and operating gift shops and related activities, and contracted catering service facilities for the zoo site.

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Turnover (Including intercompany rental income of £117,717 (2020: £56,614)	1,302,978	794,347
Cost of sales	(905,740)	(625,903)
Gross profit	397,238	168,444
Administrative expenses and taxation	(127,611)	(127,440)
Net profit for the year	269,627	41,004

The subsidiary's net funds at 31 December 2021 amounted to £1,156 (2020: £42,073).

The net profit of £269,627 (2020: £41,004) is after recharging management and support costs of £110,582 (2020: £102,172) and labour recharges of £140,980 (2020: £134,851) from the Charity to Dudley Zoo Services Limited.

An amount of £41,544 was paid from Dudley Zoo Services Ltd in 2021 under gift aid (2020: £243,000) and £269,000 will be paid to the Charity from Dudley Zoo Services Limited under Gift Aid for the current year.

5 ANALYSIS OF TOTAL EXPENDITURE	Raising funds £	Charitable activities £	Total costs £
DIRECT COSTS			
Direct wages and salaries	94,566	1,461,496	1,556,062
Other direct costs	764,760	17,730	782,490
Animal care	-	340,071	340,071
Marketing and publicity	-	68,815	68,815
Utilities	24,113	206,644	230,757
General site maintenance and security	44,943	237,073	282,016
	928,382	2,331,829	3,260,211
SUPPORT COSTS			
Indirect wages and salaries	46,414	304,749	351,163
Depreciation	239	352,891	353,130
Site Development Costs	-	83,025	83,025
Irrecoverable VAT	6,722	72,484	79,206
Insurance, legal and professional	29,647	67,804	97,451
Post, print, stationery, IT and communications	7,523	64,804	72,327
Other staff costs, finance and administrative expenses	14,424	77,280	91,704
	104,969	1,023,037	1,128,006
Totals at 31 December 2021	1,033,351	3,354,866	4,388,217
Totals at 31 December 2020	753,343	3,351,862	4,105,205

6 NET INCOME/EXPENDITURE

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Net income/expenditure is stated after charging:		
Operating lease rentals	3,157	2,841
Auditor's remuneration		
- for audit services	18,701	20,873
- for non-audit services	5,250	4,075
Depreciation of tangible fixed assets	353,130	337,925

7 DIRECTORS AND EMPLOYEES

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Group staff costs including directors' emoluments:		
Wages and salaries	1,749,228	1,785,625
Social security costs	125,204	129,779
Pension costs	37,175	37,805
	1,911,607	1,953,209

Average weekly number of employees including directors:	Year ended 31 December 2021 No.	Year ended 31 December 2020 No.
Keepers and ground staff	41	39
Maintenance and gardening	15	15
Admissions and retail	7	6
Management, administration and marketing	14	15
Education	2	4
Seasonal staff	29	27
	108	106

7 DIRECTORS AND EMPLOYEES (continued)

FTE including directors:	Year ended 31 December 2021 No.	Year ended 31 December 2020 No.
Keepers and ground staff	39	36
Maintenance and gardening	14	15
Admissions and retail	6	6
Management, administration and marketing	12	12
Education	2	4
Seasonal staff	8	6
	81	79

Seasonal staff are employed to support the permanent admissions/retail staff and are also engaged in other trading and charitable activities.

The following employees received emoluments, excluding employer's pension and National Insurance contributions, in excess of £65,000 in the year ended 31 December 2021 (2020: 1 in excess of £60,000).

	2021 Number	2020 Number
£65,000 to £75,000	1	1

The Charity made contributions of £2,108 to a group personal pension plan in respect of the higher paid employee (2020: £2,081).

The key management personnel comprise the Zoo Director, Zoo Manager and the Finance Manager (2020: the Zoo Director, Zoo Manager and Finance Manager). The total employee benefits of the key management personnel, including employer's pension and National Insurance contributions, were £211,647 (2020: £208,769).

Volunteers:
There were no volunteers in the year and therefore no estimated value of volunteer time during the year (2020: none).

8 DIRECTORS

No Trustee received remuneration during either year. 2 Trustees were reimbursed expenses for personal travel and subsistence of £283 in the year to 31 December 2021 (2020: 2 Trustees reimbursed expenses of £194).

9 TANGIBLE ASSETS

GROUP	*Buildings and animal enclosures* £	*Service areas* £	*Fixtures & fittings* £	*Vehicles* £	*Assets under construction* £	*Total* £
COST						
At 1 January 2021	5,138,052	410,408	804,118	89,287	105,762	6,547,627
Additions		3,900	12,617		297,083	313,600
Transfers	92,076	-	-	-	(92,076)	-
Disposals	-	-	-	-	-	-
At 31 December 2021	5,230,128	414,308	816,735	89,287	310,769	6,861,227
DEPRECIATION						
At 1 January 2021	2,138,231	314,147	697,292	56,832	-	3,206,502
Charged in the period	279,055	27,831	33,979	12,265	-	353,130
Disposals	-	-	-	-	-	-
At 31 December 2021	2,417,286	341,978	731,271	69,097	-	3,559,632
NET BOOK VALUE						
At 31 December 2021	2,812,842	72,330	85,464	20,190	310,769	3,301,595
At 31 December 2020	2,999,821	96,261	106,826	32,455	105,762	3,341,125

9 TANGIBLE ASSETS (continued)

SOCIETY	*Buildings and animal enclosures* £	*Service areas* £	*Fixtures & fittings* £	*Vehicles* £	*Assets under construction* £	*Total* £
COST						
At 1 January 2021	5,138,052	410,408	581,036	89,287	105,762	6,324,545
Additions	-	3,900	12,617		297,083	313,600
Transfers	92,076	-	-	-	(92,076)	-
Disposals	-	-	-	-	-	-
At 31 December 2021	5,230,128	414,308	593,653	89,287	310,769	6,638,145
DEPRECIATION						
At 1 January 2021	2,138,231	314,147	474,449	56,832	-	2,983,659
Charged in the period	279,055	27,831	33,740	12,265	-	352,891
Disposals	-	-	-	-	-	-
At 31 December 2021	2,417,286	341,978	508,189	69,097	-	3,336,550
NET BOOK VALUE						
At 31 December 2021	2,812,842	72,330	85,464	20,190	310,769	3,301,595
At 31 December 2020	2,999,821	96,261	106,587	32,455	105,762	3,340,886

10 INVESTMENTS

SOCIETY	2021 £	2020 £
Cost of investments – 1 January and 31 December	3,012	3,012

The Directors consider the market value of the investments not to be materially different to its cost.

The Society owns the whole of the issued share capital of Dudley Zoo Services Limited. Dudley Zoo Services Limited is incorporated in, and operates in, the United Kingdom. Its principal activity is the provision of retail, catering and leisure services.

Dudley Zoo Services Limited's profit for the year ended 31 December 2021 was £269,627 (2020: £269,627) and its capital and reserves at 31 December 2021 were £1,156 (2020: £42,073).

Dudley Zoo Development Trust is a subsidiary of the company with the company exercising control over the Trust. Dudley Zoo Development Trust is a registered charity. The objective of the charity is to assist with the development of Dudley Zoo and to assist with the feeding of the animals. Dudley Zoo Development Trust's net income for the year ended 31 December 2021 was £60 (2020: net income of £69,200) and its reserves at 31 December 2021 were £78,104 (2020: £78,044). Dudley Zoo Development Trust was exempt from having an audit in the years ended 31 December 2021 and 2020 by virtue of its size.

11 STOCKS

	Group		Society	
	2021	2020	2021	2020
	£	£	£	£
Food stuffs, materials and consumables	10,234	10,202	10,234	10,202
Goods for sale	92,118	67,867	-	-
	102,352	78,069	10,234	10,202

12 DEBTORS

	Group		Society	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	30,833	3,786	1,584	1,896
Other debtors	669	-	8,987	1,673
Amounts due from group undertakings	-	-	-	-
Prepayments and accrued income	122,716	163,659	106,122	160,388
	154,218	167,445	116,693	163,957

13 CREDITORS: Amounts falling due within one year

	Group		Society	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	262,755	261,953	204,363	225,942
DMBC Loan	40,000	40,000	40,000	40,000
Other taxation and social security	38,801	35,381	31,177	32,504
Other creditors	11,934	11,983	11,694	11,503
Accruals	243,965	133,308	101,665	93,820
Corporation Tax Payable	-	-	-	-
Amount due to group undertakings	-	-	64,769	39,758
	597,455	482,625	453,668	443,527

14 CREDITORS: Amounts falling due in more than one year

	Group		Society	
	2021	2020	2021	2020
	£	£	£	£
Dudley Metropolitan Borough Council				
Long term loan	250,000	250,000	250,000	250,000
DMBC Loan	320,000	360,000	320,000	360,000
Total	570,000	610,000	570,000	610,000

The Long-term loan of £250,000 from Dudley Metropolitan Borough Council is interest free and will not be repaid within the next 12 months, though it has no fixed repayment date.

The DMBC Loan is an interest free loan of £400,000 repayable over 10 years with equal repayments of £40,000 per annum.

15 RESTRICTED FUNDS

	Balance 1 January 2021	Incoming resources	Resources expended	Transfers	Balance 31 December 2021
	£	£	£	£	£
GROUP AND SOCIETY					
Donation for orangutan enclosure	994	-	(994)	-	-
Donations for animal feed from the Dudley Zoo Development Trust	-	58,387	(58,387)	-	-
Heritage lottery fund:					
Chairlift Project	42,000	-	(6,072)	-	35,928
Tecton Entrance & Shop	172,473	-	(12,394)	-	160,079
Tecton Introductory Exhib.	7,947	-	(589)	-	7,358
Bear Ravine	201,788	-	(13,916)	-	187,872
European Regional Development Fund:					
Harry Hatch's Cottage	81,077	-	(5,969)	-	75,108
Castle Visitor Centre	219,019	-	(13,275)	-	205,744
Sculptures	14,750	-	(1,500)	-	13,250
Fencing at Entrance	14,551	-	(1,467)	-	13,084
Glass Panels at Entrance	6,292	-	(635)	-	5,657
Getty Foundation Project	115,552	-	(66,625)	-	48,927
LEP Grant	291,664	-	(20,000)	-	271,664
Defra Zoo Fund		505,366	(505,366)		
Apprenticeship Fund		5,000	(5,000)		
Govt. Grant - JRS	-	119,070	(119,070)	-	-
	1,168,107	687,823	(831,259)	-	1,024,671

RESTRICTED FUNDS - 2020

	Balance 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 December 2020 £
GROUP AND SOCIETY					
Donation for orangutan enclosure	10,669	-	(9,675)	-	994
Donations for animal feed from the Dudley Zoo Development Trust		66,727	(66,727)	-	-
Heritage lottery fund:					
Chairlift Project	48,072	-	(6,072)	-	42,000
Tectons Project	-	-	-	-	-
Tecton Entrance & Shop	184,867	-	(12,394)	-	172,473
Tecton Introductory Exhib.	8,536	-	(589)	-	7,947
Bear Ravine	215,704	-	(13,916)	-	201,788
European Regional Development Fund:					
Harry Hatch's Cottage	87,046	-	(5,969)	-	81,077
Castle Visitor Centre	232,294	-	(13,275)	-	219,019
Sculptures	16,250	-	(1,500)	-	14,750
Fencing at Entrance	16,018	-	(1,467)	-	14,551
Glass Panels at Entrance	6,927	-	(635)	-	6,292
Castle Maintenance Grant	146,030	-	-	(146,030)	-
Getty Foundation Project	-	120,000	(4,448)	-	115,552
LEP Grant	-	300,000	(8,336)	-	291,664
Govt. Grant - JRS	-	163,607	(163,607)	-	-
	972,413	650,334	(308,610)	(146,030)	1,168,107

ORANG-UTAN ENCLOSURE
Capital cost of the improved indoor area of the Orang-utan enclosure. Resources expended are the depreciation charges for the year.

DONATIONS FOR ANIMAL FEED FROM THE DUDLEY ZOO DEVELOPMENT TRUST
Income used exclusively for the animal food.

CHAIRLIFT PROJECT
Capital cost of restoring the historic Chairlift. Resources expended are the depreciation charges for the year.

TECTON ENTRANCE & SHOP
The Entrance and Shop Tecton buildings were restored and the resources expended in the year are the depreciation charges.

TECTON INTRODUCTORY EXHIBITION
The Tecton project included an Introductory Exhibition explaining the architectural significance of the Tecton buildings and the project to refurbish them. The resources expended in the year are the depreciation charges.

BEAR RAVINE
The Tecton project involved an extensive restoration of the Bear Ravine Tecton building (the structure used to house bears), and the resources expended in the year are the depreciation charges.

HARRY HATCH'S COTTAGE
This ERDF project involved the significant restoration of a building on site - Harry Hatch's Cottage. This was capital expenditure and the resources expended in the year were depreciation charges.

CASTLE VISITOR CENTRE
The construction of the Castle Visitor Centre was completed in 2015 and branded Castle Creatures. This was capital expenditure and the resources expended in the year were depreciation charges.

SCULPTURES
As part of the ERDF project various steel sculptures at the Zoo entrance were constructed. This was capital expenditure and the resources expended in the year were depreciation charges.

FENCING
The ERDF project included the construction of steel fencing at the Zoo entrance. This was capital expenditure and the resources expended in the year were depreciation charges.

GLASS PANELS
The ERDF project included capital expenditure on glass panelling at the Zoo entrance. This was capital expenditure and the resources expended in the year were depreciation charges.

CASTLE MAINTENANCE GRANT
The Society receives an annual grant from Dudley MBC in respect of the Castle and the maintenance thereof. This is either spent in the year it is received and/or carried forward to future periods where it can be utilised for future major restoration work projects. In 2020 Dudley MBC gave permission for the restricted fund to be released to be used against general operations on site, not just the castle. This grant was unrestricted for the years ending 2019, 2020 and 2021 and will return to being a restricted fund in 2022.

GETTY FOUNDATION PROJECT
In 2020 the Society successfully applied for a grant of £120,000 which will carry out investigation work into 4 Tecton structures on site. The grant income was reported in the financial statements for 2020 and continuing costs were incurred in 2021.

LEP GRANT
A grant of £300,000 was awarded to the Society in 2020 for the purpose of assisting the Society in paying for the car park works totalling £600,000.

GOVT. GRANT JRS
During the year the Society benefitted from the furlough scheme run by the government in response to the Covid crisis. A total of £119,070 was claimed through the Job Retention Scheme in 2021.

DEFRA ZOO FUND
In 2020 the society applied for the Zoo support fund set up by Defra and this application was successful in early 2021. The funding was used to support vital animal welfare costs in 2021 and totalled £505,366 in the year.

APPRENTICESHIP FUND
The Society has set up an account and received funding from the Education Skills Agency as a result of employing apprentices in the year.

16 CALLED UP SHARE CAPITAL

GROUP AND SOCIETY	Authorised	Allotted and fully paid
At 31 December 2020 and 31 December 2021		
100 ordinary shares of £1 each	100	100

No shares in the capital of the Society have been authorised or issued since the end of the accounting period. The Society's ordinary shares, which carry no right to fixed income, each carries the right to one vote at general meetings of the Society.

17 UNRESTRICTED FUNDS

GROUP	Balance 1 January 2021 £	(Deficit) in year £	Transfers £	Balance 31 December 2021 £
General income funds	2,234,253	1,824,205	(500,000)	3,558,458
Designated reserve	1,000,000	-	500,000	1,500,000
	3,234,253	1,824,205	-	5,058,458

SOCIETY	Balance 1 January 2021 £	(Deficit) in year £	Transfers £	Balance 31 December 2021 £
General income funds	2,117,148	1,865,062	(500,000)	3,482,210
Designated reserve	1,000,000	-	500,000	1,500,000
	3,117,148	1,865,062	-	4,982,210

	£	£
The designated reserve is to cover:		
- Emergency funds for unexpected events	300,000	300,000
- Capital projects	700,000	1,200,000
	1,000,000	1,500,000

The reserves for Capital Projects within Designated Funds of £1.2m will be utilised in the next 2 to 3 years on the following projects; Tiger Enclosure - £400k, Giraffe House and enclosure - £200k, African Wild Dog enclosure - £100k, Orang-utan enclosure - £200k and the Chimpanzee enclosure - £300k.

UNRESTRICTED FUNDS - 2020 GROUP	Balance 1 January 2020 £	(Deficit) in year £	Transfers £	Balance 31 December 2020 £
General income funds	2,327,031	(238,808)	146,030	2,234,253
Designated reserve	1,000,000	-	-	1,000,000
	3,327,031	(238,808)	146,030	3,234,253

SOCIETY	Balance 1 January 2020 £	(Deficit) in year £	Transfers £	Balance 31 December 2020 £
General income funds	2,077,131	(106,013)	146,030	2,117,148
Designated reserve	1,000,000	-	-	1,000,000
	3,077,131	(106,013)	146,030	3,117,148

	£	£
The designated reserve is to cover:		
- Emergency funds for unexpected events	300,000	300,000
- Capital projects	700,000	700,000
	1,000,000	1,000,000

We anticipate utilising the Designated Funds of £1m in the next 2 to 3 years on the following projects; Bear Enclosure - £250k, Tiger Enclosure £250k and the Orang-utan enclosure - £500k.

18 NET ASSETS BY FUNDS - 2021

	Unrestricted £	Restricted £	Total £
GROUP			
Funds are represented by:			
Fixed assets	2,276,924	1,024,671	3,301,595
Current assets	3,949,089	-	3,949,089
Current liabilities	(597,455)	-	(597,455)
Long term liabilities	(570,000)	-	(570,000)
	5,058,558	1,024,671	6,083,229
SOCIETY			
Funds are represented by:			
Fixed assets	2,279,936	1,024,671	3,304,607
Current assets	3,726,042	-	3,726,042
Current liabilities	(453,668)	-	(453,668)
Long term liabilities	(570,000)	-	(570,000)
	4,982,310	1,024,671	6,006,981

NET ASSETS BY FUNDS - 2020

	Unrestricted £	Restricted £	Total £
GROUP			
Funds are represented by:			
Fixed assets	2,173,018	1,168,107	3,341,125
Current assets	2,153,960	-	2,153,960
Current liabilities	(482,625)	-	(482,625)
Long term liabilities	(610,000)	-	(610,000)
	3,234,353	1,168,107	4,402,460
SOCIETY			
Funds are represented by:			
Fixed assets	2,172,779	1,168,107	3,340,886
Current assets	2,095,344	-	2,095,344
Current liabilities	(540,875)	-	(540,875)
Long term liabilities	(610,000)	-	(610,000)
	3,117,248	1,168,107	4,285,355

19 OPERATING LEASE COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following total payments to the end of the lease term.

	2021 Land and Buildings £	2020 Land and Buildings £
Payable:		
In less than one year	200	100
In two to five years	800	400
In more than five years	10,960	5,480
	11,960	5,980

20 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of the Society is Dudley Metropolitan Borough Council.
They wholly own the shares in the Society and nominate 2 members to the Zoo's Board of Directors.
Their accounts can be obtained from the Local Council Offices.

21 RELATED PARTY TRANSACTIONS

At 31 December 2021 the Group owed a total of £255,999 (2020: £334,470) to Dudley Metropolitan Borough Council. These liabilities are included within trade creditors of £3,801 (2020: £82,272), other creditors £2,198 (2020: £2,198), accruals £nil (2020: £nil) and long term loans £250,000 (2020: £250,000).

During the year, the group made payments of £96,143 (2020: £745,193) and were invoiced £17,673 (2020: £745,193) for services provided by Dudley Metropolitan Borough Council.
The Society is owned by Dudley Metropolitan Borough Council and has the normal relationship and transactions that any other charitable or trading company would enjoy with the Local Authority within whose jurisdiction it resides, in this case Dudley Metropolitan Borough Council.

There are numerous transactions between the Society and the Services company, including the transfer of Management Recharges amounting to £251,562 (2020: £237,023) (which includes the supply of labour and overheads from Society to Services) and distribution of profits from Services to Zoo of £269,000 to be paid within nine months of the year end (2020: £41,544). At the end of the year the balance outstanding of all these transactions was £64,769 (2020: £39,758). This forms part of the intercompany balance in note 14.

During the year £58,387 was received from Dudley Zoo Development Trust (2020: £66,727) in respect of donations for animal feed. At the year-end £158,747 was due from the Trust (2020: £100,360) and £158,747 was owed to the Trust (2020: £100,360).

22 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 December 2021 was £10,875 (2020: £4,075).

23 CONTINGENT LIABILITIES

The Society is party to a group VAT registration. At 31 December 2021 the amount outstanding in respect of other group companies was £7,624 (2020:£2,878) (being the amount due for Qtr 4 2021).