

# Dudley and West Midlands Zoological Society Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended  
31 December 2022

Company Registration No.1350864  
Charity No. 507221

# Dudley and West Midlands Zoological Society Limited

## OFFICERS

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### MEMBERS OF THE BOARD

#### Appointed members

P J Silver  
D H Sparks OBE  
P J Tart  
J Webb (resigned 12<sup>th</sup> Jan 2023)  
A J Taylor  
S K Vincent

#### Nominated members

M J Evans  
D I A Vickers (deceased 7<sup>th</sup> Feb 2022)  
L Taylor-Childs (appointed 16<sup>th</sup> Feb 2022, removed 16<sup>th</sup> Dec 2022)  
A Taylor (appointed 16<sup>th</sup> Dec 2022)

#### Co-opted members

K Fuller  
S Woollard  
P I Loveday

Zoo Director  
Zoo Manager  
Finance Manager

D A Grove  
M R Lewis  
J D Ashfield

# Dudley and West Midlands Zoological Society Limited

## ADVISORS AND COMPANY INFORMATION

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### CHARITY REGISTRATION NUMBER

507221

### COMPANY REGISTRATION NUMBER

1350864

### AUDITOR

Crowe U.K LLP  
Black Country House  
Rounds Green House  
Oldbury  
West Midlands  
B69 2DG

### BANKERS

NatWest  
2<sup>nd</sup> Floor  
39 Queen Square  
Wolverhampton  
WV1 1TL

### PRINCIPAL AND REGISTERED OFFICE

Castle Hill  
Dudley  
DY1 4QF

# Dudley and West Midlands Zoological Society Limited

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# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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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 2022. 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. Since 2021 Trustees have been given the option of attending meetings via virtual platforms such as Teams as a response to the Covid situation but also as an acknowledgment of the changing working environment.

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. During 2022 the Board of Trustees made a visit to the Dudley Canal Trust to observe the operations of this organisation.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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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 6<sup>th</sup> 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. An interim Zoo inspection took place on 8<sup>th</sup> 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 and all the items mentioned have been actioned. As part of our EAZA membership we have an accreditation visit each 5 years. This took place on 3<sup>rd</sup> and 4<sup>th</sup> October 2022 and we received positive feedback on all aspects of the site.

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. We had an annual informal inspection in early 2023 and they stated that they were happy with the works that had been completed from the 2022 inspection and happy with all the general improvements that have been made around site.

### 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.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### ACHIEVEMENTS & PERFORMANCE

The Society achieved a good performance in 2022 after the unsettling period of the Covid pandemic. The Zoo had no closures during the year, unlike in the previous 2 years. We had set a target of 300,000 total visitors for 2022 and we had a good start to the year and subsequently achieved our target despite visitor numbers falling away in the autumn.

In 2022 we welcomed 300,054 total visitors to the Zoo and Castle compared to 228,255 total visitors in 2021. In 2022 total visitor numbers were 31% up on the previous year.

The Society achieved a surplus after depreciation of £401,809 (2021: £1,680,769 surplus). There has been a significant decrease in surplus compared to the prior however, in 2021 there were a number of one-off items that contributed to the increased surplus and result in an unfair comparison between 2022 and 2021.

In 2021 the Society received grants from the Defra Zoo support fund of £505,366, Covid support funding from the Local Authority of £386,750 and £250,000 from an insurance settlement in respect of the Covid outbreak. The net effect of these activities was a surplus of £1,142,116. Excluding these, the surplus for 2021 would have been £538,653 which represents a more realistic picture of the Society's financial performance and is more appropriate to compare with 2022's performance.

In 2022 we saw an increase in costs as we returned to normal trading conditions which encompassed the effects of increased inflationary pressures experienced throughout the UK economy.

It remains our long term strategy to utilise our surplus to improve and develop the site, to maintain it as a quality visitor attraction and to improve the welfare of the animals within our care. In addition it is our aim to maintain the listed buildings on site.

In 2022 we were able to continue with our works on the Orangutan enclosure and this significant development to the site was completed and opened for the Orangutan in May along with new educational interpretation highlighting the importance of sustainable sourced palm oil. The sculpture highlighting the message of conservation for these endangered species was put into place in December and completed this particular phase of the Orangutan enclosure. At the start of the year we redeveloped an enclosure to house a Wolverine, which is a new species for Dudley Zoo & Castle.

In 2022 we completed works on the Tapir, Tortoise and Gelada enclosures and completely renovated the Snowy Owl aviary.

Towards the end of the summer we started work on the Giraffe paddock and house to significantly improve this enclosure. We also started work on Parma Wallaby enclosure to build a new house and update the outside area. These projects are all 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. We also continued with the redevelopment of the Triple aviaries that will improve the welfare of several bird species.

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 in 2022 and remains 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 May 2022 and the subsequent report confirmed we had passed the Visit England accreditation once again with an overall score of 86%. This showed we have maintained the same high standards as previous assessment in 2021 (86%). This was a good achievement.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### ACHIEVEMENT & PERFORMANCE (cont.)

In 2022 we took the decision to run our Santa's grotto, which due to Covid we had not hosted since 2019. It was great to welcome back families to the traditional event and we welcomed over 11,000 to the Grotto in December 2022. The Grotto event brought in £124k of income compared to £108k in 2019 (the last time we did the Grotto).

We have undertaken our annual review of the Long Term Development Plan for the site to see if the work programme identified last year and since the Covid pandemic has changed in priority or relevance. 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.

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 2022 in the role of UK co-ordinator. We attended the annual EAZA conference in Portugal and staff continued their development throughout the year by attending various EAZA and BIAZA workshops. These included the BIAZA Bird working Group conference at Blackpool Zoo, the BIAZA Education conference at Dartmoor Zoological Park, the BIAZA Mammal Working Group conference at Chester and BIAZA Native Species Working Group conference at Wildwood.

In 2022 we continued to have success with our breeding programmes. Notable births included 2 Orangutan, 1 Binturong, 2 Bactrian camels, 5 Naked mole rats, numerous Rainbow lorikeets, Barberry sheep, 2 Black swans, 1 Anteater, 1 Sloth, Red tailed snakes and a Reindeer. We have welcomed into Dudley Zoo & Castle to join our existing collection an Arctic fox, a Cotton top tamarin, a Palawan peacock pheasant, a Snowy owl, 2 Sumatran laughing thrushes, a Wolverine and Red panda.

Animals leaving DZC to join other collections were Barberry sheep, Mara's, Parma wallabies and Pygmy marmosets.

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. In 2022 we were able to return to undertaking these valuable events and focussed on encouraging visitors to make a behavioural change on a day-to-day basis that will ultimately benefit wild species.

In June we ran our Under 5's days which offers entertainment on site for a specific audience of young children at a reduced cost. This had been cancelled in 2020 and 2021 due to the Covid restrictions in place at the time. These days offer admission at a reduced cost and are extremely popular with toddler groups and parents with young children.

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.

We successfully ran 3 film nights at DZC in 2022 and welcomed over 1,500 visitors into the Castle Courtyard, which offers a unique outdoor setting to watch a film.

The annual classic car returned in September 2022 and was held in the castle courtyard. This event proved popular with our visitors and helps highlight the local motoring heritage.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### KEY PERFORMANCE INDICATORS

Visitor Numbers – We budgeted to achieve 300,000 (2021: 275,000) Total Visitors and actually achieved Total Visitors of 300,054 (2021: 228,255). This was a good achievement as we achieved budget and increased visitor numbers from the previous year.

Paying Visitor Numbers – We budgeted for 240,000 (2021: 225,000) Paying Visitors and actually received 261,651 (2021: 194,030) Paying Visitors. A great performance as we were 9% up on budget. We were 35% up on previous year figure and were open for only 27% more of the year, which shows an improvement above being open more in 2022 (we were open for a total of 267 days in 2021 out of a total of 364 (73%).

Admissions Income – In 2022 we actually achieved £3,160,579 (2021: £2,938,577) against a budget for 2022 of £3,134,000 (2021: £3,012,000). We were favourable to budget by 8% on our Admissions Income target in 2022.

Take per Head (“TPH”) for retail operation - We aimed in 2022 to achieve a TPH of £2.13 (2021: £1.63) and actually achieved £2.23 (2021: £2.34).

Education Numbers – We achieved 12,442 visitors (2021: 4,200) against a budget of 14,000 visitors (2021: zero).

The resurgence of Education numbers is mainly due to schools wanting to come for general visits that also include workshops as well. This is a positive sign after the adverse impact of the coronavirus on this part of the organisation in 2020 and 2021.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### 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 continued in 2021 but their use has declined in 2022 to almost zero.

### 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 gives daily talks on animals and also history walks which inform visitors about some of the history of the site. Unfortunately these talk times had to be curtailed during the Covid pandemic, due to the requirement to observe social distancing regulations. In 2022 we have been able to reintroduce a full programme of talks, with 15 different species covered across site. These talks have proved very popular with visitors and are an essential in educating people about conservation.

During 2022 work began on a new conservation strategy for the zoo, outlining a range of aims and objectives intended to increase the zoo's conservation, education and research output over the coming five years. This document also ensures the zoo's activities are in-line with zoo licensing requirements, BIAZA/EAZA policy and current trends within conservation programming.

An expanded range of informal learning opportunities was offered to visitors in 2022, with approximately 15 different animal-keeper talks presented throughout the year, alongside multiple teach tables and informal activities (many of which are linked to conservation messaging). The zoo welcomed 12,400 learners via formal school visits in 2022. In September 2022, a new extended programme of formal learning opportunities was launched with 24 new workshops, targeted at a range of ages from EYFS (Early Years Foundation Stage) to further / higher education. All workshops have been developed with accessibility and differentiation, the new conservation strategy and the national curriculum in mind.

Partnership with neighbouring universities were strengthened, and the zoo welcomed students from various universities, who undertook both undergraduate and postgraduate studies on various species.

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.

During 2020 we attained funding from the Getty Foundation to carry out investigation work into 4 Tecton structures on site. This work was completed in 2022, with some match funding from the Society and the final report proving valuable in helping us to understand what the next stage should be for refurbishing these important structures.

In 2022 we gained funding from the LEP as part of their Growing Places Fund, which the Society added match funding to. This project funding was for the design, survey and delivery of planning permission for a new Visitor and Education Centre.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### 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.

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 31st year that we have managed the studbook for this important species.

One of the staff at DZC has the role as Education Co-ordinator within the BIAZA Terrestrial Invertebrate Working Group and another member of staff continued in their role as Lead Chair of the Primate Focus Group within the BIAZA Mammal Working Group.

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. In early 2022 the Society made a significant financial contribution to the Sintang Orangutan Centre, an Orangutan rescue and rehabilitation project based in Borneo. Funds provided by the Society will be put towards the development of a forest school (rehabilitation facility), further increasing their ability to protect and aid wild populations of the critically endangered Bornean Orangutan.

In July 2022 we contributed to the International Snow Leopard Trust. This is the fourth year of a five year commitment to supporting research and conservation in wild Snow Leopards across their natural range. We have financially supported a number of animal conservation charities as we recognise that, post Covid, these are financially challenging times for these organisations as well, and it's important to support them.

In 2022 we donated to the following organisations; Wildcats Conservation Alliance, World Parrot Trust, Lowland Tapir Conservation, Giraffe Conservation, Kibale Chimp project and the Red Panda Network.

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 2022.

Alongside these International projects we continue to champion work for native species. We provide practical and financial assistance for various projects.

In the summer construction work began on a new display wildlife garden within the zoo grounds. This display aims to create high quality habitat for native species while also informing visitors on actions they can take at home to benefit native species. We continued with on-site survey work of native species, with regular surveys undertaken for bats (in partnership with Brumbats), birds and moths.

The Zoo works closely with the West Midlands Birding Club to survey what bird species we have on site. In this year we undertook 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 end of 2022.

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 plan to set up a bee hive on site with a local apiarist to aid local pollinators. We have worked with other local wildlife groups during the course of the year.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### PUBLIC BENEFIT (cont.)

In 2019 we sponsored a university student for the duration of their animal degree course. 2022 saw 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 was reintroduced in 2022. This proves to be very popular with students as it gives them valuable practical experience.

We have strong links to the community and participate in many local festivals and events. In conjunction with the Local Authority the Castle courtyard was used to host St Georges Day celebrations and welcomed local people to participate in various themed activities. In 2022 the Guild of the Blessed St Edmund attended the St Georges Day event, which help support their organisation.

We continue to welcome various organisations for activities associated with the Tecton buildings that we have on site and of the repair programme that was undertaken. In 2022 we welcomed a group from Historic England to a lecture and a study tour of the repair work.

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 2022 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.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### FINANCIAL REVIEW

Income for 2022 of £5,829k (2021: £6,069k) is a decrease from 2021 but the previous year included £1,142k of exceptional income of one-off grants and an insurance claim. If you exclude this from the previous year's income figure then we have actually increased our income performance from 2021 and indicates that the Society has performed well in its first full year after Covid. The Society did not lose any days in 2022 due to Covid. Income from Charitable Activities in 2022 was £3,834k, which was an increase from 2021 (£3,604k).

The trading activities of the subsidiary have performed well in 2022 and have been boosted by the increase in visitor activity in the year. The Retail outlet achieved an income of £668k, which is an increase in sales of 26% from 2021 (£632k). The Catering Income of £789k is an increase of 27% from 2021 (£620k). We were able to open the main restaurant on site all through the year, unlike in 2021 when it had to be closed due to Covid rules.

Dudley Zoo Services will gift aid £452,976 in respect of 2022 profits to the Society (2021: £269,324).

As 2022 returned to normal after Covid we were able to do more events in the year, which resulted in more income being achieved. In 2022 we achieved £85k of special events income compared to only £30k in 2021.

We have strived to control our fixed overheads where possible, and most importantly have kept salary costs within budget. The increase in energy costs have started to impact the organisation as some of the animal enclosures require large amounts of heating, which uses lots of energy, but the full impact will be felt in 2023 when rates increase further.

In previous years interest received has been steadily growing as our cash reserves have been built up in expectation of undertaking some major projects. Interest rates have been low and therefore interest earned in the year has not been significant. However in 2022 interest rates have started to rise on not only fixed rate bonds but also savings accounts. As a result interest earned in 2022 was £23,152, a significant increase on the previous year of £1,276.

We have engaged in some significant capital projects in the year but despite this we have maintained our cash position through the year standing at £3,753k at 31 December 2022 (2021: £3,693k).

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 2021) 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 brought DMBC released the restriction so it can be used to support all of the site's core functions in the financial years of 2020 and 2021. From 2022 the grant has once again been 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 moving forward after Covid 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 and enable us to redevelop areas of the zoo and maintain the listed buildings around site.

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.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### INVESTMENT POLICY

The Charity retained investments in cash based funds during the year. Interest has been earned from fixed rate savings accounts, a 35 day notice account and our Special Interest account, which totalled £23,152 (2021: £1,276) in the year. In prior years this investment fund would be used for continuing development; however although £23,152 is an improvement on previous years it 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 regularly 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.

During the Covid pandemic the Directors and management of the Society regularly assessed the impact of the Covid outbreak and the risks to the business this brought. The main risk to the Society was the impact on cash reserves. The Society carefully monitored its cash position throughout Covid and benefitted from various funding and saved money by utilising the governments furlough scheme. The Society benefitted from various funding sources in 2021 which strengthened the cash position of the Society, enabling it to operate effectively going forward into 2022.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### 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.

The consolidated reserves of the Society at 31 December 2022 were £6,485,038. This includes £1,043,253 of restricted funds not available for general purposes of the Society at the end of the reporting period. At 31 December 2022 Dudley Zoo and Castle is reporting unrestricted funds of £5,441,685 (2021: £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 £1,353,617 (2021: £1,281,634). The Directors aim to maintain minimum reserves of £750k which covers approximately three months of expenditure. We have been able to slightly grow our free reserves through our performance in 2022.

The Designated Fund of £1.5m is to be used in the next 2 to 3 years on the following projects; Funds for unexpected events £300k; tiger enclosure - £400k, Giraffe house and enclosure - £100k, African Wild Dog enclosure - £300k and the Chimpanzee Enclosure - £400k. We feel it will not 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 is sufficient to cover 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 Society's performance in 2022 has given the Directors and management confidence that conditions are returning to normal after the Covid pandemic and that the Society can generate income from events that it undertook pre-Covid. In 2022 we have achieved good levels of income and consequently surplus, which has strengthened our financial position.

Management has regularly assessed the group's financial position through financial modelling forecasts. The financial plans assume levels of income growth in 2023 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 2023.

On 21<sup>st</sup> December 2022 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 until 31<sup>st</sup> March 2025.

# Dudley and West Midlands Zoological Society Limited

## REPORT OF THE DIRECTORS

for the year ended 31 December 2022

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### 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

2nd June 2023

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUDLEY AND WEST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (CONTINUED)

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## **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 2022 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 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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:

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUDLEY AND WEST MIDLANDS ZOOLOGICAL SOCIETY LIMITED (CONTINUED)**

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- 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUDLEY AND WEST  
MIDLANDS ZOOLOGICAL SOCIETY LIMITED (CONTINUED)**

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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. In respect of recognition of grant income, audit procedures consisted of sample testing to corresponding agreements to ensure appropriate recognition criteria and a review of grant applications in order to assess the completeness.

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 **5 June 2023**

**Dudley and West Midlands Zoological Society Limited**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
for the year ended 31 December 2022

	<i>Notes</i>	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM:</b>						
Donations and Legacies	2	39,497	-	256,304	295,801	1,278,068
Charitable Activities	3	3,833,860	-	-	3,833,860	3,604,381
Other trading activities	4	1,675,828	-	-	1,675,828	1,185,261
Investments		23,151	-	-	23,151	1,276
<b>TOTAL</b>		<b>5,572,336</b>	<b>-</b>	<b>256,304</b>	<b>5,828,640</b>	<b>6,068,986</b>
<b>EXPENDITURE ON:</b>						
Raising Funds	5	1,371,412	-	-	1,371,412	1,033,351
Charitable Activities	5	3,817,697	-	237,722	4,055,419	3,354,866
<b>TOTAL</b>	<b>5</b>	<b>5,189,109</b>	<b>-</b>	<b>237,722</b>	<b>5,426,831</b>	<b>4,388,217</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>6</b>	<b>383,227</b>	<b>-</b>	<b>18,582</b>	<b>401,809</b>	<b>1,680,769</b>
Transfers between funds	15	-	-	-	-	-
Net movement in funds		383,227	-	18,582	401,809	1,680,769
Fund balances brought forward at 1 January 2022		3,558,458	1,500,000	1,024,671	6,083,129	4,402,360
Fund balances carried forward at 31 December 2022	15/17	<b>3,941,685</b>	<b>1,500,000</b>	<b>1,043,253</b>	<b>6,484,938</b>	<b>6,083,129</b>

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 2022

Company Registration No. 1350864

	Notes	31 December 2022 £	31 December 2021 £
<b>FIXED ASSETS</b>			
Tangible assets	9	3,631,421	3,301,595
<b>CURRENT ASSETS</b>			
Stocks	11	99,061	102,352
Debtors	12	215,948	154,218
Cash at bank and in hand		3,752,887	3,692,519
		4,067,896	3,949,089
CREDITORS: Amounts falling due within one year	13	(684,279)	(597,455)
NET CURRENT ASSETS		3,383,617	3,351,634
TOTAL ASSETS LESS CURRENT LIABILITIES		7,015,038	6,653,229
CREDITORS: Amounts falling due after more than one year	14	(530,000)	(570,000)
NET ASSETS		6,485,038	6,083,229
<b>FUNDS</b>			
Restricted funds	15	1,043,253	1,024,671
Unrestricted funds			
Called up share capital	16	100	100
General income funds	17	3,941,685	3,558,458
Designated funds	17	1,500,000	1,500,000
TOTAL FUNDS EMPLOYED		6,485,038	6,083,229

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 44 were approved by the board of directors and authorised for issue on *2nd June 2023* and are signed on its behalf by:



**D H Sparks OBE**  
Director

# Dudley and West Midlands Zoological Society Limited

## COMPANY BALANCE SHEET

31 December 2022

Company Registration No. 1350864

	Notes	31 December 2022 £	31 December 2021 £
<b>FIXED ASSETS</b>			
Tangible assets	9	3,631,421	3,301,595
Investments	10	3,012	3,012
		<u>3,634,433</u>	<u>3,304,607</u>
<b>CURRENT ASSETS</b>			
Stocks	11	14,290	10,234
Debtors	12	210,228	116,693
Cash at bank and in hand		3,701,584	3,599,115
		<u>3,926,102</u>	<u>3,726,042</u>
CREDITORS: Amounts falling due within one year	13	(556,930)	(453,668)
<b>NET CURRENT ASSETS</b>		<u>3,369,172</u>	<u>3,272,374</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,003,605</u>	<u>6,576,981</u>
CREDITORS: Amounts falling due after more than one year	14	(530,000)	(570,000)
<b>NET ASSETS</b>		<u><u>6,473,605</u></u>	<u><u>6,006,981</u></u>
<b>FUNDS</b>			
Restricted funds	15	1,043,253	1,024,671
Unrestricted			
Called up share capital	16	100	100
General income funds	17	3,930,252	3,482,210
Designated funds	17	1,500,000	1,500,000
		<u>6,473,605</u>	<u>6,006,981</u>
<b>TOTAL FUNDS EMPLOYED</b>		<u><u>6,473,605</u></u>	<u><u>6,006,981</u></u>

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 £466,624 (2021: net increase in funds of £1,721,626).

The financial statements on pages 19 to 44 were approved by the board of directors and authorised for issue on *2nd June 2023* 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 2022

	2022 £	2021 £
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by operating activities</b>	759,644	2,136,398
<b>Cash flows from investing activities:</b>		
Interest	23,151	1,276
Proceeds from sale of fixed assets	-	-
Purchase of property, plant and equipment	(682,427)	(313,600)
<b>Net cash (used in) investing activities</b>	(659,276)	(312,324)
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(40,000)	(40,000)
<b>Net cash (used in) financing activities</b>	(40,000)	(40,000)
<b>Change in cash and cash equivalents in the reporting period</b>	60,368	1,784,074
Cash and cash equivalents at the beginning of the reporting period	3,692,519	1,908,445
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>3,752,887</u>	<u>3,692,519</u>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net income for the reporting period (as per the statement of financial activities)</b>	401,809	1,680,769
<b>Adjustments for:</b>		
Depreciation charges	352,601	353,130
Interest received	(23,151)	(1,276)
Profit on the sale of fixed assets	-	-
Increase in stocks	3,291	(24,282)
(Increase)/decrease in debtors	(61,730)	13,227
(Decrease) in creditors	86,824	114,830
<b>Net cash provided by operating activities</b>	<u>759,644</u>	<u>2,136,398</u>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	3,752,887	3,692,519
<b>Total cash and cash equivalents</b>	<u>3,752,887</u>	<u>3,692,519</u>

Dudley and West Midlands Zoological Society Limited  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the year ended 31 December 2022

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**Analysis of changes in net debt**

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash at bank and in hand	3,692,519	60,368	3,752,887
Debt due within one year	40,000	-	40,000
Debt due after one year	570,000	(40,000)	530,000
	<u>4,302,519</u>	<u>20,368</u>	<u>4,322,887</u>

# Dudley and West Midlands Zoological Society Limited

## ACCOUNTING POLICIES

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### 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 2022.

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 £466,624 (2021: £1,721,626).

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.

# Dudley and West Midlands Zoological Society Limited

## ACCOUNTING POLICIES (continued)

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### 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. 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.

# Dudley and West Midlands Zoological Society Limited

## ACCOUNTING POLICIES (continued)

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### 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.

# Dudley and West Midlands Zoological Society Limited

## ACCOUNTING POLICIES (continued)

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### **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 21<sup>st</sup> December 2022 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 until 31<sup>st</sup> March 2025.

In the aftermath of COVID-19 outbreak the Directors considered the significance of the economic impacts this had on the charity and 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 2023, 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. The Directors recognise that 2022 has achieved a significant surplus as a result of good income performance, which has 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 economic impacts or any other unexpected factors.

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### 1 COMPARATIVE INFORMATION – CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted		Restricted Funds 2021 £	Total Funds 2021 £
	General Funds 2021 £	Designated Funds 2021 £		
<b>Income from</b>				
Donations and legacies	590,245	-	687,823	1,278,068
Charitable activities	3,604,381	-	-	3,604,381
Other trading activities	1,185,261	-	-	1,185,261
Investments	1,276	-	-	1,276
	<u>5,381,163</u>	<u>-</u>	<u>687,823</u>	<u>6,068,986</u>
<b>TOTAL</b>	<b>5,381,163</b>	<b>-</b>	<b>687,823</b>	<b>6,068,986</b>
	<u><u>5,381,163</u></u>	<u><u>-</u></u>	<u><u>687,823</u></u>	<u><u>6,068,986</u></u>
<b>EXPENDITURE ON:</b>				
Raising Funds	1,033,351	-	-	1,033,351
Charitable activities	2,523,607	-	831,259	3,354,866
	<u>3,556,958</u>	<u>-</u>	<u>831,259</u>	<u>4,388,217</u>
<b>TOTAL</b>	<b>3,556,958</b>	<b>-</b>	<b>831,259</b>	<b>4,388,217</b>
	<u><u>3,556,958</u></u>	<u><u>-</u></u>	<u><u>831,259</u></u>	<u><u>4,388,217</u></u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>1,824,205</b>	<b>-</b>	<b>(143,436)</b>	<b>1,680,769</b>
Transfer between funds	(500,000)	500,000	-	-
	<u>1,324,205</u>	<u>500,000</u>	<u>(143,436)</u>	<u>1,680,769</u>
<b>Net movement in funds</b>	<b>1,324,205</b>	<b>500,000</b>	<b>(143,436)</b>	<b>1,680,769</b>
	<u>1,324,205</u>	<u>500,000</u>	<u>(143,436)</u>	<u>1,680,769</u>
Funds brought forward 1 January 2021	2,234,253	1,000,000	1,168,107	4,402,360
	<u>2,234,253</u>	<u>1,000,000</u>	<u>1,168,107</u>	<u>4,402,360</u>
Funds carried forward 31 December 2021	<b>3,558,458</b>	<b>1,500,000</b>	<b>1,024,671</b>	<b>6,083,129</b>
	<u><u>3,558,458</u></u>	<u><u>1,500,000</u></u>	<u><u>1,024,671</u></u>	<u><u>6,083,129</u></u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

2	DONATIONS AND LEGACIES	Year ended 31 December 2022 £	Year ended 31 December 2021 £
	<i>Unrestricted</i>		
	DMBC – Maintenance Grant	-	150,000
	DMBC – Covid19 Grant	6,000	386,750
	Donations	<u>33,497</u>	<u>53,495</u>
		39,497	590,245
	<i>Restricted</i>		
	DMBC – Maintenance Grant	150,000	-
	Defra Zoo Fund	-	505,366
	LEP Grant	56,917	-
	Govt. Grant - JRS	-	119,070
	Apprenticeship Fund	4,500	5,000
	Donations and gifts	<u>44,887</u>	<u>58,387</u>
		256,304	687,823
		<u>295,801</u>	<u>1,278,068</u>
		<u><u>295,801</u></u>	<u><u>1,278,068</u></u>
3	INCOME FROM CHARITABLE ACTIVITIES	Year ended 31 December 2022 £	Year ended 31 December 2021 £
	Admissions, season tickets and associated gift aid	3,160,539	2,938,577
	Car park and other income	673,321	665,803
		<u>3,833,860</u>	<u>3,604,380</u>
		<u><u>3,833,860</u></u>	<u><u>3,604,380</u></u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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### 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 2022 £	Year ended 31 December 2021 £
Turnover (Including intercompany rental income of £149,004 (2021: £117,717))	1,824,832	1,302,978
Cost of sales	(1,192,010)	(905,740)
Gross profit	<u>632,822</u>	<u>397,238</u>
Administrative expenses and taxation	(179,402)	(127,611)
Net profit for the year	<u><u>453,420</u></u>	<u><u>269,627</u></u>

The subsidiary's net funds at 31 December 2022 amounted to £1,276 (2021: £1,156).

The net profit of £453,420 (2021: £269,627) is after recharging management and support costs of £158,497 (2021: £110,582) and labour recharges of £171,153 (2021: £140,980) from the Charity to Dudley Zoo Services Limited.

An amount of £269,324 was paid from Dudley Zoo Services Ltd in 2022 under gift aid (2021: £41,544) and £452,976 will be paid to the Charity from Dudley Zoo Services Limited under Gift Aid for the current year.

Dudley and West Midlands Zoological Society Limited  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 December 2022

5 ANALYSIS OF TOTAL EXPENDITURE	Raising funds £	Charitable activities £	Total costs £
<b>DIRECT COSTS</b>			
Direct wages and salaries	113,228	1,741,948	1,855,176
Other direct costs	1,020,858	59,952	1,080,810
Animal care	-	393,458	393,458
Marketing and publicity	-	121,156	121,156
Utilities	43,489	249,202	292,691
General site maintenance and security	65,575	315,148	380,723
	<u>1,243,150</u>	<u>2,880,864</u>	<u>4,124,014</u>
<b>SUPPORT COSTS</b>			
Indirect wages and salaries	57,925	355,409	413,334
Depreciation	-	352,601	352,601
Site Development Costs	-	129,479	129,479
Irrecoverable VAT	7,611	74,009	81,620
Insurance, legal and professional	35,024	86,242	121,266
Post, print, stationery, IT and communications	8,487	77,703	86,190
Other staff costs, finance and administrative expenses	19,215	99,112	118,327
	<u>128,262</u>	<u>1,174,555</u>	<u>1,302,817</u>
Totals at 31 December 2022	<u><u>1,371,412</u></u>	<u><u>4,055,419</u></u>	<u><u>5,426,831</u></u>
Totals at 31 December 2021	<u><u>1,033,351</u></u>	<u><u>3,354,866</u></u>	<u><u>4,388,217</u></u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

6	NET INCOME/EXPENDITURE	Year ended 31 December 2022 £	Year ended 31 December 2021 £
	Net income/expenditure is stated after charging:		
	Operating lease rentals	3,157	3,157
	Auditor's remuneration		
	- for audit services	19,999	18,701
	- for non-audit services	1,400	5,250
	Depreciation of tangible fixed assets	352,601	353,131
		<u>                    </u>	<u>                    </u>
7	DIRECTORS AND EMPLOYEES	Year ended 31 December 2022 £	Year ended 31 December 2021 £
	Group staff costs including directors' emoluments:		
	Wages and salaries	2,069,473	1,749,228
	Social security costs	156,592	125,204
	Pension costs	42,445	37,175
		<u>                    </u>	<u>                    </u>
		2,268,510	1,911,607
		<u>                    </u>	<u>                    </u>
	Average weekly number of employees including directors:	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
	Keepers and ground staff	46	41
	Maintenance and gardening	15	15
	Admissions and retail	7	7
	Management, administration and marketing	14	14
	Education	3	2
	Seasonal staff	36	29
		<u>                    </u>	<u>                    </u>
		121	108
		<u>                    </u>	<u>                    </u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### 7 DIRECTORS AND EMPLOYEES (continued)

FTE including directors:	Year ended	Year ended
	31 December	31 December
	2022	2021
	No.	No.
Keepers and ground staff	41	39
Maintenance and gardening	15	14
Admissions and retail	6	6
Management, administration and marketing	12	12
Education	3	2
Seasonal staff	12	8
	<u>89</u>	<u>81</u>

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 £80,000 in the year ended 31 December 2022 (2021: 1 in excess of £70,000).

	2022	2021
	Number	Number
£70,000 to £80,000		1
£80,000 to £90,000	1	
	<u>1</u>	<u>1</u>

The Charity made contributions of £2,212 to a group personal pension plan in respect of the higher paid employee (2021: £2,108).

The key management personnel comprise the Zoo Director, Zoo Manager and the Finance Manager (2022: 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 £222,923 (2021: £211,647).

#### Volunteers:

There were no volunteers in the year and therefore no estimated value of volunteer time during the year (2021: none).

### 8 DIRECTORS

No Trustee received remuneration during either year. 2 Trustees were reimbursed expenses for personal travel and subsistence of £478 in the year to 31 December 2022 (2021: 2 Trustees reimbursed expenses of £283).

Dudley and West Midlands Zoological Society Limited  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 31 December 2022

9 TANGIBLE ASSETS

GROUP	<i>Buildings and animal enclosures</i> £	<i>Service areas</i> £	<i>Fixtures &amp; fittings</i> £	<i>Vehicles</i> £	<i>Assets under construction</i> £	<i>Total</i> £
<b>COST</b>						
At 1 January 2022	5,230,128	414,308	816,735	89,287	310,769	6,861,227
Additions		9,383	33,847	10,500	628,697	682,427
Transfers	661,704	-	-	-	(661,704)	-
Disposals	-	-	-	(3,300)	-	(3,300)
At 31 December 2022	5,891,832	423,691	850,582	96,487	277,762	7,540,354
<b>DEPRECIATION</b>						
At 1 January 2022	2,417,286	341,978	731,271	69,097	-	3,559,632
Charged in the period	280,235	26,002	34,123	12,241	-	352,601
Disposals	-	-	-	(3,300)	-	(3,300)
At 31 December 2022	2,697,521	367,980	765,394	78,038	-	3,908,933
<b>NET BOOK VALUE</b>						
At 31 December 2022	3,194,311	55,711	85,188	18,449	277,762	3,631,421
At 31 December 2021	2,812,842	72,330	85,464	20,190	310,769	3,301,595

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### 9 TANGIBLE ASSETS (continued)

SOCIETY	<i>Buildings and animal enclosures</i> £	<i>Service areas</i> £	<i>Fixtures &amp; fittings</i> £	<i>Vehicles</i> £	<i>Assets under construction</i> £	<i>Total</i> £
<b>COST</b>						
At 1 January 2022	5,230,128	414,308	593,653	89,287	310,769	6,638,145
Additions	-	9,383	33,847	10,500	628,697	682,427
Transfers	661,704	-	-	-	(661,704)	-
Disposals	-	-	-	(3,300)	-	(3,300)
At 31 December 2022	5,891,832	423,691	627,500	96,487	277,762	7,317,272
<b>DEPRECIATION</b>						
At 1 January 2022	2,417,286	341,978	508,189	69,097	-	3,336,550
Charged in the period	280,235	26,002	34,123	12,241	-	352,601
Disposals	-	-	-	(3,300)	-	(3,300)
At 31 December 2022	2,697,521	367,980	542,312	78,038	-	3,685,851
<b>NET BOOK VALUE</b>						
At 31 December 2022	3,194,311	55,711	85,188	18,449	277,762	3,631,421
At 31 December 2021	2,812,842	72,330	85,464	20,190	310,769	3,301,595

### 10 INVESTMENTS

SOCIETY	2022 £	2021 £
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 £453,420 (2021: £269,627) and its capital and reserves at 31 December 2022 were £1,276 (2021: £1,156).

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 2022 was (£64,935) (2021: net income of £60) and its reserves at 31 December 2022 were £13,169 (2021: £78,104). Dudley Zoo Development Trust was exempt from having an audit in the years ended 31 December 2022 and 2021 by virtue of its size.

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

11	STOCKS	<i>Group</i>		<i>Society</i>	
		2022 £	2021 £	2022 £	2021 £
	Food stuffs, materials and consumables	14,290	10,234	14,290	10,234
	Goods for sale	84,771	92,118	-	-
		<u>99,061</u>	<u>102,352</u>	<u>14,290</u>	<u>10,234</u>
		<u><u>99,061</u></u>	<u><u>102,352</u></u>	<u><u>14,290</u></u>	<u><u>10,234</u></u>
12	DEBTORS	<i>Group</i>		<i>Society</i>	
		2022 £	2021 £	2022 £	2021 £
	Trade debtors	34,369	30,833	3,415	1,584
	Other debtors	3,441	669	33,104	8,987
	Amounts due from group undertakings	-	-	-	-
	Prepayments and accrued income	178,138	122,716	173,709	106,122
		<u>215,948</u>	<u>154,218</u>	<u>210,228</u>	<u>116,693</u>
		<u><u>215,948</u></u>	<u><u>154,218</u></u>	<u><u>210,228</u></u>	<u><u>116,693</u></u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

13	CREDITORS: Amounts falling due within one year	<i>Group</i>		<i>Society</i>	
		2022	2021	2022	2021
		£	£	£	£
	Trade creditors	407,840	262,755	296,081	204,363
	DMBC Loan	40,000	40,000	40,000	40,000
	Other taxation and social security	51,606	38,801	35,197	31,177
	Other creditors	12,748	11,934	12,508	11,694
	Accruals	172,085	243,965	116,347	101,665
	Corporation Tax Payable	-	-	-	-
	Amount due to group undertakings	-	-	56,797	64,769
		<u>684,279</u>	<u>597,455</u>	<u>556,930</u>	<u>453,668</u>

14	CREDITORS: Amounts falling due in more than one year	<i>Group</i>		<i>Society</i>	
		2022	2021	2022	2021
		£	£	£	£
	Dudley Metropolitan Borough Council				
	Long term loan	250,000	250,000	250,000	250,000
	DMBC Loan	280,000	320,000	280,000	320,000
	Total	<u>530,000</u>	<u>570,000</u>	<u>530,000</u>	<u>570,000</u>

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.

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### 15 RESTRICTED FUNDS

	Balance 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 December 2022 £
<b>GROUP AND SOCIETY</b>					
Donations for animal feed from the Dudley Zoo Development Trust	-	44,887	(44,887)	-	-
<i>Heritage lottery fund:</i>					
Chairlift Project	35,928	-	(6,072)	-	29,856
Tecton Entrance & Shop	160,079	-	(12,394)	-	147,685
Tecton Introductory Exhibit.	7,358	-	(589)	-	6,769
Bear Ravine	187,872	-	(13,916)	-	173,956
<i>European Regional Development Fund:</i>					
Harry Hatch's Cottage	75,108	-	(5,969)	-	69,139
Castle Visitor Centre	205,744	-	(13,275)	-	192,469
Sculptures	13,250	-	(1,500)	-	11,750
Fencing at Entrance	13,084	-	(1,467)	-	11,617
Glass Panels at Entrance	5,657	-	(635)	-	5,022
Getty Foundation Project	48,927	-	(48,927)	-	-
LEP Grant	271,664	-	(20,000)	-	251,664
Apprenticeship Fund	-	4,500	(4,500)	-	-
LEP Visitor & Education Centre	-	56,917	(56,917)	-	-
Castle Maintenance Grant	-	150,000	(6,674)	-	143,326
	<u>1,024,671</u>	<u>256,304</u>	<u>(237,722)</u>	<u>-</u>	<u>1,043,253</u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

### RESTRICTED FUNDS - 2021

	Balance 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 December 2021 £
<b>GROUP AND SOCIETY</b>					
Donation for orangutan enclosure	994	-	(994)	-	-
Donations for animal feed from the Dudley Zoo Development Trust		58,387	(58,387)	-	-
<i>Heritage lottery fund:</i>					
Chairlift Project	42,000	-	(6,072)	-	35,928
Tectons Project	-	-	-	-	-
Tecton Entrance & Shop	172,473	-	(12,394)	-	160,079
Tecton Introductory Exhibit.	7,947	-	(589)	-	7,358
Bear Ravine	201,788	-	(13,916)	-	187,872
<i>European Regional Development Fund:</i>					
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)	-	-
	<u>1,168,107</u>	<u>687,823</u>	<u>(831,259)</u>	<u>-</u>	<u>1,024,671</u>

### ORANGUTAN ENCLOSURE (2021)

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.

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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### 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 (in response to the Covid pandemic) 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 has returned 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 (2021)

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 (2021)

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.

### LEP GRANT VISITOR & EDUCATION CENTRE

In 2022 a grant of £60,000 was awarded to the Society to help with the development of a plan for a new Visitor and Education centre.

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

16	CALLED UP SHARE CAPITAL			
	GROUP AND SOCIETY		Authorised	Allotted and fully paid
	At 31 December 2021 and 31 December 2022			
	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	Balance 1 January 2022	Surplus in year	Transfers	Balance 31 December 2022
	GROUP	£	£	£	£
	General income funds	3,558,458	383,227	-	3,941,685
	Designated reserve	1,500,000	-	-	1,500,000
		<u>5,058,458</u>	<u>383,227</u>	<u>-</u>	<u>5,441,685</u>
	SOCIETY	£	£	£	£
	General income funds	3,482,210	448,042	-	3,930,252
	Designated reserve	1,500,000	-	-	1,500,000
		<u>4,982,210</u>	<u>448,042</u>	<u>-</u>	<u>5,430,252</u>
		£			£
	The designated reserve is to cover:				
	- Emergency funds for unexpected events	300,000			300,000
	- Capital projects	1,200,000			1,200,000
		<u>1,500,000</u>			<u>1,500,000</u>

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 (2021: £400k), Giraffe House and enclosure - £100k (2021: £200k), African Wild Dog enclosure - £300k (2021: £100k), and the Chimpanzee enclosure - £400k (2021: £300k). In 2022 the Orangutan enclosure was completed and this has been replaced in the designated funds project programme by increasing the funds for the African Wild Dog enclosure and the Chimpanzee enclosure.

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

UNRESTRICTED FUNDS - 2021	Balance 1 January 2021 £	Surplus in year £	Transfers £	Balance 31 December 2021 £
GROUP				
General income funds	2,234,253	1,824,205	(500,000)	3,558,458
Designated reserve	1,000,000	-	500,000	1,500,000
	<u>3,234,253</u>	<u>1,824,205</u>	<u>-</u>	<u>5,058,458</u>
SOCIETY				
General income funds	2,117,148	1,865,062	-	3,982,210
Designated reserve	1,000,000	-	-	1,000,000
	<u>3,117,148</u>	<u>1,865,062</u>	<u>-</u>	<u>4,982,210</u>
	£			£
The designated reserve is to cover:				
- Emergency funds for unexpected events	300,000			300,000
- Capital projects	700,000			1,200,000
	<u>1,000,000</u>			<u>1,500,000</u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

18	NET ASSETS BY FUNDS - 2022	Unrestricted £	Restricted £	Total £
	GROUP			
	Funds are represented by:			
	Fixed assets	2,588,168	1,043,253	3,631,421
	Current assets	4,067,896	-	4,067,896
	Current liabilities	(684,279)	-	(684,279)
	Long term liabilities	(530,000)	-	(530,000)
		<u>5,441,785</u>	<u>1,043,253</u>	<u>6,485,038</u>
	SOCIETY			
	Funds are represented by:			
	Fixed assets	2,591,180	1,043,253	3,634,433
	Current assets	3,926,102	-	3,926,102
	Current liabilities	(556,930)	-	(556,930)
	Long term liabilities	(530,000)	-	(530,000)
		<u>5,430,352</u>	<u>1,043,253</u>	<u>6,473,605</u>
	NET ASSETS BY FUNDS - 2021			
	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)
		<u>5,058,558</u>	<u>1,024,671</u>	<u>6,083,229</u>
	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)
		<u>4,982,310</u>	<u>1,024,671</u>	<u>6,006,981</u>

# Dudley and West Midlands Zoological Society Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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### 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.

	2022	2021
	Land and Buildings	Land and Buildings
	£	£
Payable:		
In less than one year	200	200
In two to five years	800	800
In more than five years	10,533	10,960
	<hr/>	<hr/>
	11,533	11,960
	<hr/> <hr/>	<hr/> <hr/>

### 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 2022 the Group owed a total of £252,198 (2021: £255,599) to Dudley Metropolitan Borough Council. These liabilities are included within trade creditors of nil (2021: £3,801), other creditors £2,198 (2021: £2,198), accruals £nil (2021: £nil), 10 year £400k loan £320,000 (2021: £360,000) and long term loans £250,000 (2021: £250,000).

During the year, the group made payments of £46,103 (2021: £96,143) and were invoiced £42,303 (2020: £17,673) for services provided by Dudley Metropolitan Borough Council. The Society also made a £40,000 annual repayment as part of its 10 year loan arrangement of £400,000. 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.

### 22 CAPITAL COMMITMENTS

Future capital expenditure contracted for, but not provided in the financial statements as at 31 December 2022 was £128,500 (2021: £10,875).

### 23 CONTINGENT LIABILITIES

The Society is party to a group VAT registration. At 31 December 2022 the amount outstanding in respect of other group companies was £16,408 (2021: £7,624; being the amount due for Qtr 4 2021).