

Dudley and West Midlands
Zoological Society Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 2023

Company Registration No.1350864
Charity No. 507221

Dudley and West Midlands Zoological Society Limited

OFFICERS

MEMBERS OF THE BOARD

Appointed members	P J Silver D H Sparks OBE P J Tart J Webb (resigned 12 th Jan 2023) A J Taylor S K Vincent P A Hodgetts (appointed 10 th Jan 2024)
Nominated members	M J Evans (removed 23 rd May 2024) A Taylor A Goddard (nominated 24 th May 2024)
Co-opted members	K Fuller S Woollard P I Loveday
Zoo Director	D A Grove
Zoo Manager	M R Lewis
Finance Manager	J D Ashfield

Dudley and West Midlands Zoological Society Limited

ADVISORS AND COMPANY INFORMATION

CHARITY REGISTRATION NUMBER

507221

COMPANY REGISTRATION NUMBER

1350864

AUDITOR

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

BANKERS

NatWest
2nd 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 2023

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 2023. 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. Up to three nominated by the shareholder (Dudley Metropolitan Borough Council) and the Executive Board appoint not less than four or more than six members using the Nolan process with advertisements and interviews, or by co-opting up to four members who 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 2023 the Board of Trustees made a visit to Ludlow Castle and Hay Castle to observe the operations of these organisations.

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

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 (Department for Environment, Food & Rural Affairs) concerning various animal related legislation, which include waste disposal and movement of animals. We received an inspection from Defra on the 3rd July 2023 that focussed on bye products under Balai regulations (Institutes and premises that import and export certain animals must comply with Balai directives as per Defra). We passed with no further issues.

A full Zoo inspection took place on the 6th February 2019 and the Zoo Licensing inspection report noted that the overall impression of the zoo was very favourable, with areas for improvement set out in seven Directions, eight Conditions and six recommendations. All items have been actioned. An interim Zoo inspection took place on 8th February 2022 which included various minor recommendations but overall expressed our continued excellent operations. The report also highlighted that the veterinary issues highlighted in the full inspection in 2019 have been successfully addressed and we operate in best practice on veterinary issues and all the items mentioned have been actioned. As part of our EAZA (European Association for Zoos and Aquaria) membership we have an accreditation visit each 5 years. This took place on 3rd and 4th October 2022 and we received positive feedback on all aspects of the site. We have had no inspections since.

The Principal Environmental Officer at DMBC usually conducts an Annual Informal inspection but this was integrated into interim zoo inspection in February 2022, 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 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 2023

ACHIEVEMENTS & PERFORMANCE

The Society achieved a good performance in 2023 and built on the performance of 2022, which was the first year of fully opening all year since the years we endured closures due to the Covid pandemic.

We had set a target of 310,000 total visitors for 2023 but due to a slow start to the year and wet weather in March and July we missed out on this target, but still improved on the previous year.

In 2023 we welcomed 302,386 total visitors to Dudley Zoo and Castle compared to 300,054 total visitors in 2022. The total visitors in 2023 represented a 1% increase on the previous year.

The Society achieved a surplus after depreciation of £47,328 (2022: £401,890 surplus). There has been a decrease in surplus compared to the prior. In 2023 the Society incurred significantly higher energy costs and this has been one of the main factors in the drop in surplus achieved, combined with the increased effects of inflationary pressures 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.

Towards the latter part of 2022 we started work on the giraffe paddock and house and this work was completed in 2023. It provides an additional area for our collection of giraffes and has improved the layout of the house.

In 2023 we completed works on our triple aviaries and refurbished the parma wallabies and red panda's enclosure. We also created a penguin quarantine area and installed netting over our flamingo enclosure to improve the welfare of this iconic bird species.

We completed the construction of an adult changing place in 2023, which was part funded from the Department for Levelling Up, and this has established a vital facility for the site.

We have enhanced the visitor experience by improving the car park to make it easier and more comfortable for people to park.

At the end of 2023 we started work on improving the chimpanzee enclosure, and in particular the enrichment facilities for the chimpanzees.

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. This feature remains popular with visitors.

We have taken part in a Visitor Attraction Quality Scheme (VAQAS) 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 April 2023 and the subsequent report confirmed we had passed the Visit England accreditation once again with an overall score of 88%. This showed we have improved on the high standards of the previous assessment in 2022 (86%). This was a good achievement.

Following on from 2022, when we took the decision to welcome back our Santa's Grotto after a break due to Covid, we again ran a Santa's Grotto. We welcomed 9,071 visitors to the Grotto in 2023, which was less than in 2022 (11,227 visitors) but still created income of £104k (2022: £124k).

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

ACHIEVEMENT & PERFORMANCE (cont.)

We have undertaken our annual review of the Long-Term Development Plan for the site to see if the work programme identified last year 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.

Previously, 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 2023 in the role of UK co-ordinator. Staff from DZC attended the annual EAZA conference in Helsinki and staff continued their development throughout the year by attending various EAZA and BIAZA workshops. These included the BIAZA Skills Development Conference, the ABWAK (Association of British and Irish Wild Animal Keepers) Gibbon Workshop, the BIAZA Regional Educators Meeting, the BIAZA Pinniped Husbandry Conference, the BIAZA Carnivore Subgroup Workshop, a Camelid Workshop, a Conservation Technology Workshop, a Giraffe Care Workshop, the EAZA Plant Working Group, the BIAZA Conservation Education Conference, the 4th EAZA Callitrichid TAG (Taxon Advisory Group) Husbandry Conference, the Primate Nutrition Workshop, and BIAZA Native Species Working Group conference at Paradise Wildlife Park.

In 2023 we were happy to host the 25th Annual BIAZA Research Conference and the BIAZA Terrestrial Invertebrate Working Group Conference, both on behalf of BIAZA.

During the year one of the keepers from Dudley Zoo and Castle undertook a keeper exchange with New Forest Wildlife Park.

In 2022 we continued to have success with our breeding programmes. Notable births included a Linne's two-toed sloth and a giant anteater. These species also saw their previous offspring from 2022 moved onto other collections as part of our participation in other breeding programmes.

Other births included twin black lemurs, two reindeer and a trio of northern bald ibis hatched and were successfully reared. Both of these species are critically endangered and so we have made a valuable contribution to these breeding programmes.

We have created new pairings of Arctic foxes, wolverines, Asian lions, pygmy marmosets, green aracari, white faced saki monkey, red pandas and Bali myna.

Our female group of bush dogs were rehomed to make way for a breeding pair, the first time in the Zoo's history that we have been in this position. Other animals leaving Dudley Zoo & Castle to join other collections were the demoiselle cranes.

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 2 baby camels which subsequently have been named 'Dudley' and 'Noddy' 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. In 2023 we continued to undertake these important 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. 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.

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ACHIEVEMENT & PERFORMANCE (cont.)

We successfully ran 2 film nights at DZC in 2023 and welcomed 752 visitors into the Castle Courtyard, which offers a unique outdoor setting to watch a film.

The annual classic car returned in September 2023 and was again held in the castle courtyard. This event proved popular with our visitors and helps highlight the local motoring heritage.

In February 2023 a fully costed Condition Report, along with a Repair and Maintenance Plan for Dudley Castle was delivered by Rodney Melville & Partners. This work was supported by grant assistance from Historic England's, 'Heritage at Risk' fund. Dudley Castle is a Scheduled Monument and Grade I listed structure, with condition noted as 'generally satisfactory but with significant localised problems and principal vulnerability being 'moderate visitor erosion' on Historic England's '2023 Heritage at Risk Register'.

KEY PERFORMANCE INDICATORS

Visitor Numbers – We budgeted to achieve 310,000 (2022: 300,000) Total Visitors and actually achieved Total Visitors of 302,386 (2022: 300,054). Although we missed our budget target, we still achieved growth from the previous year.

Paying Visitor Numbers – We budgeted for 260,000 (2022: 240,000) Paying Visitors and actually received 252,139 (2022: 261,651) Paying Visitors. We were 3% down on budget, and 4% down on previous year.

Admissions Income – In 2023 we actually achieved £3,190,240 (2022: £3,160,579) against a budget for 2023 of £3,342,000 (2022: £3,342,000). We were adverse to budget by 5% on our Admissions Income target in 2023.

Take per Head ("TPH") for retail operation - We aimed in 2023 to achieve a TPH of £2.19 (2022: £2.23) and actually achieved £2.20 (2022: £2.23).

Education Numbers – We achieved 17,408 visitors (2022: 12,442) against a budget of 18,000 visitors (2022: 14,000).

Education numbers were 40% up on 2022's figure and indicates growth in this area of the organisation. Good performance as one of our key objectives is to educate visitors about conservation.

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. 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. These schemes continued in 2023 but their use has declined to a low amount.

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REPORT OF THE DIRECTORS

for the year ended 31 December 2023

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. In 2022 we were able to reintroduce a full programme of talks, following the Covid pandemic, and these have proved very popular with visitors and are an essential tool in educating people about conservation. In 2023 we have run low-cost castle tours, which are specific to the history of the castle and enable visitors to look around the castle as a separate visitor experience to the zoo. We plan to continue undertaking these castle tours in the future.

During 2023 we completed the work on a new conservation strategy for the zoo, outlining a range of aims and objectives which puts greater emphasis on celebrating our heritage, and prioritising sustainable development moving forward. This strategy is 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 2023, with approximately 30 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 17,408 learners via formal school visits in 2023. In 2023 our new extended programme of formal learning opportunities was run with many schools taking up the opportunity to undertake some of our 24 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.

We were awarded 3 BIAZA awards in July 2023, including a silver award in the exhibit category for our outdoor Bornean orangutan enclosure, completed in 2022. Our carnivore team picked up a silver award in Behaviour & Welfare category for training our two snow leopards.

In 2023 we began work on an Equality, Diversity, Inclusion and Accessibility (EDIA) policy and plan, helping to ensure that our site can be enjoyed and accessed by all. We were awarded a BIAZA gold award in the Diversity and Inclusion category for spearheading campaign for allergy awareness after installing a number of food allergy signs around site.

We launched an Education & Engagement Volunteer programme in 2023. We have welcomed a number of volunteers who have given their time and engaged with visitors and associated with delivery of animals talks and other engagement activities.

We ran a 'Swing into Summer' celebration, where our visitors created 485 seed bombs to encourage native wildlife and pollinators.

In December 2023 we held a Home Educator Day and welcomed over 150 learners and their parents. We aim to continue running this successful event at regular intervals in the future.

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 aims are 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, which was completed in 2022.

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 and was worked on again in 2023.

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

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 32nd 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 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 – Zoologische Gesellschaft für Arten und Populationsschutz) and also have an annual commitment to AB (Arctictis Binturong) Conservation – a study programme for Binturongs. In 2023 the Society continued to make 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 2023 we again contributed to the International Snow Leopard Trust as part of an ongoing 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 it's important to support them.

In 2023, in addition to the projects already mentioned above, we donated to the following organisations; Wildcats Conservation Alliance, Wild Camel Foundation, World Parrot Trust, Lowland Tapir Conservation, Giraffe Conservation, Cikananga Conservation Breeding Centre for Birds, Sphenisco, Tacugama Chimpanzee Sanctuary, The BRIDGES Gelada study, 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 2023.

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

In 2023 the Education team participated in the BIAZA 'Spotted on Site' BioBlitz campaign, to help gain an understanding of what wildlife is present on site.

We partnered with the Birmingham and Black Country Amphibian & Reptile Group in the Spring of 2023 and they assisted us with newt surveys in our ponds on site, which revealed we have a number of smooth newts.

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.

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

PUBLIC BENEFIT (cont.)

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 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 continued in 2023. 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 2023 the Guild of the Blessed St Edmund attended the St Georges Day event, which help support their organisation.

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 2023 we launched an Education & Engagement Volunteer programme. We welcomed a number of volunteers who have engaged with visitors and assisted with delivery of animals talks and other engagement activities.

We have had volunteers in previous years and acknowledge that they add considerable value to the organisation.

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

FINANCIAL REVIEW

Income for 2023 of £5,934k (2022: £5,829) is an increase from 2022 and indicates a strong performance by the Society. The increase in income is largely as a result of increased visitor numbers. Income from Charitable Activities in 2023 was £3,834k, which was an increase of 2% from 2022 (£3,926k).

The trading activities of the subsidiary have performed well in 2023 and have been boosted by the increase in visitor activity in the year. The Retail outlet achieved an income of £663k, which is a similar performance to the previous year (2022: £668k). The Catering Income of £800k is an increase of 1% from 2022 (£789k). We achieved an improved catering performance by opening more outlets at key times throughout the year. Dudley Zoo Services will gift aid £350,000 in respect of 2023 profits to the Society (2022: £452,976).

In 2023 we achieved a similar level of special events income - £85k as we did in 2022 (£85k), as we ran the same events as the previous year.

We have strived to control our fixed overheads where possible, and most importantly have kept salary costs within budget. The increase in energy costs has significantly impacted the organisation as some of the animal enclosures require large amounts of heating, which subsequently uses lots of energy. We have reduced usage overall but it is the increase in rates that are driving the increase in costs. This is one of the main factors in the Society's surplus being less than the previous year.

In previous years interest received has been steadily growing as our cash reserves have been built up in expectation of undertaking some major projects. Interest rates have been historically low in previous years and interest earned has not been significant. However in 2022, and even more so in 2023, interest rates have started to rise on not only fixed rate bonds but also savings accounts. As a consequence of these interest rate rises interest earned in 2023 was £94,176, a significant increase on the previous year of £23,152.

We have engaged in some significant capital projects in the year but despite this we have managed to maintain a cash position of above £3m with the balance standing at £3,336k at 31 December 2022 (2022: £3,753k).

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 per annum (£150k during 2022) as a contribution to maintaining the upkeep of the scheduled monument and the surrounding grounds. From March 2022 the grant has 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 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 2023

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 £94,176 (2022: £23,152) in the year. The amount earned in the year of £94,176 is significant and will contribute to one of the projects we are working on but is still not sufficient enough to fund a major development 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.

The Directors and management of the Society regularly assess the risks to the Society and the impact on its cash reserves.

The Society carefully monitors its cash position and produces cashflow forecasts that are regularly updated to give the director's and management the confidence to plan future operations effectively.

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

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 2023 were £6,532,366 (2022:6,485,038). This includes £1,116,273 (2022: £1,043,253) of restricted funds not available for general purposes of the Society at the end of the reporting period.

At 31 December 2023 Dudley Zoo and Castle is reporting unrestricted funds of £5,415,993 (2022: £5,441,685). After making allowance for designation of £1,500,000 and the carrying amount of fixed assets the Society has free reserves of £971,621 (2022: £1,353,617). The Directors aim to maintain minimum reserves of £750k which covers approximately three months of expenditure. Our free reserves have decreased slightly over the year.

The Designated Fund of £1.5m is to be used in the next 2 to 3 years on match funding for our Visitor and Education Centre project. 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 one major project lined up for the next 2 to 3 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. The management have drawn up budgets for the immediate future that outline how these surpluses will be achieved. In this respect the Directors see the organisation as a going concern.

The Society's performance in 2022 and 2023 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 2023 we have achieved good levels of income and consequently a surplus, which has maintained 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 2024 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 2024.

On 21st 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 31st March 2025.

Dudley and West Midlands Zoological Society Limited

REPORT OF THE DIRECTORS

for the year ended 31 December 2023

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

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

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

In so far as the Directors are aware:

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

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

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

On behalf of the board



D H Sparks OBE
Director

5th June 2024

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

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 2023 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 2023 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)

- 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)

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.



Tara Westcott (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: 07 June 2024

Dudley and West Midlands Zoological Society Limited
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2023

	Notes	Unrestricted funds General £	Unrestricted funds Designated £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
INCOME FROM:						
Donations and Legacies	2	20,243	-	237,663	257,906	295,801
Charitable Activities	3	3,926,090	-	-	3,926,090	3,833,860
Other trading activities	4	1,656,136	-	-	1,656,136	1,675,828
Investments		94,176	-	-	94,176	23,151
TOTAL		5,696,645	-	237,663	5934,308	5,828,640
EXPENDITURE ON:						
Raising Funds	5	1,458,118	-	-	1,458,118	1,371,412
Charitable Activities	5	4,301,719	-	127,143	4,428,862	4,055,419
TOTAL	5	5,759,837	-	127,143	5,886,980	5,426,419
NET INCOME/(EXPENDITURE)	6	(63,192)	-	110,520	47,328	401,809
Transfers between funds	15	37,500	-	(37,500)	-	-
Net movement in funds		(25,692)	-	73,020	47,328	401,809
Fund balances brought forward at 1 January 2023		3,941,685	1,500,000	1,043,253	6,484,938	6,083,129
Fund balances carried forward at 31 December 2023	15/17	3,915,993	1,500,000	1,116,273	6,532,266	6,484,938

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 2023

Company Registration No. 1350864

	Notes	31 December 2023 £	31 December 2022 £
FIXED ASSETS			
Tangible assets	9	4,060,745	3,631,421
CURRENT ASSETS			
Stocks	11	103,758	99,061
Debtors	12	153,410	215,948
Cash at bank and in hand		3,336,388	3,752,887
		3,593,556	4,067,896
CREDITORS: Amounts falling due within one year	13	(631,935)	(684,279)
NET CURRENT ASSETS		2,961,621	3,383,617
TOTAL ASSETS LESS CURRENT LIABILITIES		7,022,366	7,015,038
CREDITORS: Amounts falling due after more than one year	14	(490,000)	(530,000)
NET ASSETS		6,532,366	6,485,038
FUNDS			
Restricted funds	15	1,116,273	1,043,253
Unrestricted funds			
Called up share capital	16	100	100
General income funds	17	3,915,993	3,941,685
Designated funds	17	1,500,000	1,500,000
TOTAL FUNDS EMPLOYED		6,532,366	6,485,038

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 5th June 2024 and are signed on its behalf by:

D H Sparks OBE
Director



Dudley and West Midlands Zoological Society Limited

COMPANY BALANCE SHEET

31 December 2023

Company Registration No. 1350864

	Notes	31 December 2023 £	31 December 2022 £
FIXED ASSETS			
Tangible assets	9	4,060,745	3,631,421
Investments	10	3,012	3,012
		<u>4,063,757</u>	<u>3,634,433</u>
CURRENT ASSETS			
Stocks	11	11,754	14,290
Debtors	12	159,124	210,228
Cash at bank and in hand		3,312,538	3,701,584
		<u>3,483,416</u>	<u>3,926,102</u>
CREDITORS: Amounts falling due within one year	13	(536,319)	(556,930)
NET CURRENT ASSETS		<u>2,946,797</u>	<u>3,369,172</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,010,554	7,003,605
CREDITORS: Amounts falling due after more than one year	14	(490,000)	(530,000)
NET ASSETS		<u>6,520,554</u>	<u>6,473,605</u>
FUNDS			
Restricted funds	15	1,116,273	1,043,253
Unrestricted			
Called up share capital	16	100	100
General income funds	17	3,904,181	3,930,252
Designated funds	17	1,500,000	1,500,000
TOTAL FUNDS EMPLOYED		<u>6,520,554</u>	<u>6,473,605</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 £46,949 (2022: net increase in funds of £466,624).

The financial statements on pages 19 to 44 were approved by the board of directors and authorised for issue on 5th June 2024 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 2023

	2023 £	2022 £
Cash flows from operating activities:		
Net cash provided by operating activities	361,861	759,644
Cash flows from investing activities:		
Interest	94,176	23,151
Proceeds from sale of fixed assets	-	-
Purchase of property, plant and equipment	(832,536)	(682,427)
Net cash (used in) investing activities	(738,360)	(659,276)
Cash flows from financing activities:		
Repayments of borrowing	(40,000)	(40,000)
Net cash (used in) financing activities	(40,000)	(40,000)
Change in cash and cash equivalents in the reporting period	(416,499)	60,368
Cash and cash equivalents at the beginning of the reporting period	3,752,887	3,692,519
Cash and cash equivalents at the end of the reporting period	3,336,388	3,752,887
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	47,328	401,809
Adjustments for:		
Depreciation charges	403,212	352,601
Interest received	(94,176)	(23,151)
Profit on the sale of fixed assets	-	-
Increase in stocks	(4,697)	3,291
(Increase)/decrease in debtors	62,538	(61,730)
(Decrease) in creditors	(52,344)	86,824
Net cash provided by operating activities	361,861	759,644
Analysis of cash and cash equivalents		
Cash in hand	3,336,388	3,752,887
Total cash and cash equivalents	3,336,388	3,752,887

Dudley and West Midlands Zoological Society Limited
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

Analysis of changes in net debt

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	3,752,887	(416,499)	3,336,388
Debt due within one year	40,000	-	40,000
Debt due after one year	530,000	(40,000)	490,000
	<u>4,322,887</u>	<u>(456,499)</u>	<u>3,866,388</u>

Dudley and West Midlands Zoological Society Limited

ACCOUNTING POLICIES

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 2023.

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 £47,328 (2022: £466,624).

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)

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)

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)

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 21st 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 31st 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 2023

1 COMPARATIVE INFORMATION – CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted		Restricted Funds 2022 £	Total Funds 2022 £
	General Funds 2022 £	Designated Funds 2022 £		
Income from				
Donations and legacies	39,497	-	256,304	295,801
Charitable activities	3,833,860	-	-	3,833,860
Other trading activities	1,675,828	-	-	1,675,828
Investments	23,151	-	-	23,151
	<u>5,572,336</u>	<u>-</u>	<u>256,304</u>	<u>5,828,640</u>
TOTAL	5,572,336	-	256,304	5,828,640
EXPENDITURE ON:				
Raising Funds	1,371,412	-	-	1,371,412
Charitable activities	3,817,697	-	237,722	4,055,419
	<u>5,189,109</u>	<u>-</u>	<u>237,722</u>	<u>5,426,831</u>
TOTAL	5,189,109	-	237,722	5,426,831
NET INCOME/(EXPENDITURE)	383,227	-	18,582	401,809
Transfer between funds	-	-	-	-
	<u>383,227</u>	<u>-</u>	<u>18,582</u>	<u>383,227</u>
Net movement in funds	383,227	-	18,582	383,227
Funds brought forward 1 January 2022	3,558,458	1,500,000	1,024,671	6,083,129
	<u>3,941,685</u>	<u>1,500,000</u>	<u>1,043,253</u>	<u>6,484,938</u>
Funds carried forward 31 December 2022	3,941,685	1,500,000	1,043,253	6,484,938

Dudley and West Midlands Zoological Society Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

2	DONATIONS AND LEGACIES	Year ended 31 December 2023 £	Year ended 31 December 2022 £
	<i>Unrestricted</i>		
	DMBC – Maintenance Grant	-	-
	DMBC – Covid19 Grant	-	6,000
	Donations	<u>20,243</u>	<u>33,497</u>
		20,243	39,497
	<i>Restricted</i>		
	DMBC – Maintenance Grant	150,000	150,000
	Defra Zoo Fund	-	-
	LEP Grant	3,083	56,917
	Adult Changing Places Fund	40,000	-
	Apprenticeship Fund	1,500	4,500
	Donations and gifts	<u>43,080</u>	<u>44,887</u>
		237,663	256,304
		<u>257,906</u>	<u>295,801</u>
		<u><u>257,906</u></u>	<u><u>295,801</u></u>
3	INCOME FROM CHARITABLE ACTIVITIES	Year ended 31 December 2023 £	Year ended 31 December 2022 £
	Admissions, season tickets and associated gift aid	3,198,240	3,160,539
	Car park and other income	727,850	673,321
		<u>3,926,090</u>	<u>3,833,860</u>
		<u><u>3,926,090</u></u>	<u><u>3,833,860</u></u>

Dudley and West Midlands Zoological Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2023

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 2023 £	Year ended 31 December 2022 £
Turnover (Including intercompany rental income of £152,244 (2022: £149,004))	1,808,381	1,824,832
Cost of sales	(1,225,623)	(1,192,010)
Gross profit	<u>582,758</u>	<u>632,822</u>
Administrative expenses and taxation	(232,495)	(179,402)
Net profit for the year	<u><u>350,263</u></u>	<u><u>453,420</u></u>

The subsidiary's net funds at 31 December 2022 amounted to £1,539 (2022: £1,276).

The net profit of £350,263 (2022: £453,420) is after recharging management and support costs of £205,933 (2022: £158,497) and labour recharges of £183,320 (2022: £171,153) from the Charity to Dudley Zoo Services Limited.

An amount of £452,976 was paid from Dudley Zoo Services Ltd in 2023 under gift aid (2022: £269,324) and £350,000 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 2023

5 ANALYSIS OF TOTAL EXPENDITURE	Raising funds £	Charitable activities £	Total costs £
DIRECT COSTS			
Direct wages and salaries	124,972	1,889,601	2,014,573
Other direct costs	1,042,303	57,789	1,100,092
Animal care	-	422,714	422,714
Marketing and publicity	-	136,176	136,176
Utilities	74,256	423,404	497,660
General site maintenance and security	74,889	329,078	403,967
	<u>1,316,240</u>	<u>3258,762</u>	<u>4,575,182</u>
SUPPORT COSTS			
Indirect wages and salaries	58,348	358,947	417,295
Depreciation	-	403,212	403,212
Site Development Costs	-	16,887	16,887
Irrecoverable VAT	12,350	105,028	117,378
Insurance, legal and professional	42,809	98,606	141,415
Post, print, stationery, IT and communications	8,882	79,802	88,684
Other staff costs, finance and administrative expenses	19,309	107,618	126,927
	<u>141,698</u>	<u>1,170,100</u>	<u>1,311,798</u>
Totals at 31 December 2023	<u>1,458,118</u>	<u>4,428,862</u>	<u>5,886,980</u>
Totals at 31 December 2022	<u>1,371,412</u>	<u>4,055,419</u>	<u>5,426,831</u>

Dudley and West Midlands Zoological Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2023

6	NET INCOME/EXPENDITURE	Year ended 31 December 2023 £	Year ended 31 December 2022 £
	Net income/expenditure is stated after charging:		
	Operating lease rentals	1,531	3,157
	Auditor's remuneration		
	- for audit services	20,500	19,999
	- for non-audit services	525	1,400
	Depreciation of tangible fixed assets	403,212	352,601
		<u> </u>	<u> </u>
7	DIRECTORS AND EMPLOYEES	Year ended 31 December 2023 £	Year ended 31 December 2022 £
	Group staff costs including directors' emoluments:		
	Wages and salaries	2,217,306	2,069,473
	Social security costs	167,858	156,592
	Pension costs	46,704	42,445
		<u> </u>	<u> </u>
		2,431,868	2,268,510
		<u> </u>	<u> </u>
	Average weekly number of employees including directors:		
		Year ended 31 December 2023 No.	Year ended 31 December 2022 No.
	Keepers and ground staff	44	46
	Maintenance and gardening	16	15
	Admissions and retail	7	7
	Management, administration and marketing	14	14
	Education	4	3
	Seasonal staff	44	36
		<u> </u>	<u> </u>
		129	121
		<u> </u>	<u> </u>

Dudley and West Midlands Zoological Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2023

7 DIRECTORS AND EMPLOYEES (continued)

FTE including directors:	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
Keepers and ground staff	40	39
Maintenance and gardening	15	14
Admissions and retail	6	6
Management, administration and marketing	12	12
Education	4	2
Seasonal staff	15	8
	<u>92</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 £60,001 in the year ended 31 December 2022 (2022: 1 in excess of £70,000).

	2023 Number	2022 Number
£70,001 to £80,000	1	1
£60,001 to £70,000	2	0
	<u>3</u>	<u>1</u>

The Charity made contributions of £6,080 to a group personal pension plan in respect of the higher paid employees (2022: £2,212).

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 £232,946 (2022: £222,923).

Volunteers:

The Charity has a number of volunteers who engage with visitors during the day. The estimated value of volunteer time during the year is £8,023 in respect of visitor engagement volunteering (2022: £0).

8 DIRECTORS

No Trustee received remuneration during either year. 5 Trustees were reimbursed expenses for personal travel and subsistence of £1,175 in the year to 31 December 2023 (2022: 2 Trustees reimbursed expenses of £478).

Dudley and West Midlands Zoological Society Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2023

9 TANGIBLE ASSETS

GROUP	<i>Buildings and animal enclosures</i> £	<i>Service areas</i> £	<i>Fixtures & fittings</i> £	<i>Vehicles</i> £	<i>Assets under construction</i> £	<i>Total</i> £
COST						
At 1 January 2023	5,891,832	423,691	850,582	96,487	277,762	7,540,354
Additions		54,875	12,862	8,956	755,843	832,536
Transfers	944,214	-	-	-	(944,214)	-
Disposals	-	-	-	-	-	-
At 31 December 2023	6,836,046	478,566	863,444	105,443	89,391	8,372,890
DEPRECIATION						
At 1 January 2023	2,697,521	367,890	765,394	78,038	-	3,908,933
Charged in the period	343,294	24,891	24,813	10,184	-	403,212
Disposals	-	-	-	-	-	-
At 31 December 2023	3,040,815	392,871	790,237	88,222	-	4,312,145
NET BOOK VALUE						
At 31 December 2023	3,795,231	85,695	73,207	17,221	89,391	4,060,745
At 31 December 2022	3,194,311	55,711	85,188	18,449	277,762	3,631,421

Dudley and West Midlands Zoological Society Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

9 TANGIBLE ASSETS (continued)

SOCIETY	<i>Buildings and animal enclosures</i> £	<i>Service areas</i> £	<i>Fixtures & fittings</i> £	<i>Vehicles</i> £	<i>Assets under construction</i> £	<i>Total</i> £
COST						
At 1 January 2023	5,891,832	423,691	627,500	96,487	277,762	7,317,272
Additions	-	54,875	12,862	8,956	755,843	832,536
Transfers	944,214	-	-	-	(944,214)	-
Disposals	-	-	-	-	-	-
At 31 December 2023	6,836,046	478,566	640,362	105,443	89,391	8,149,808
DEPRECIATION						
At 1 January 2023	2,697,521	367,980	542,312	78,038	-	3,685,851
Charged in the period	343,294	24,891	24,843	10,184	-	403,212
Disposals	-	-	-	-	-	-
At 31 December 2023	3,040,815	392,871	567,155	88,222	-	4,089,063
NET BOOK VALUE						
At 31 December 2023	3,795,231	85,695	73,207	17,221	89,391	4,060,745
At 31 December 2022	3,194,311	55,711	85,188	18,449	277,762	3,631,421

10 INVESTMENTS

SOCIETY	2023 £	2022 £
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 £350,263 (2022: £453,420) and its capital and reserves at 31 December 2023 were £1,539 (2022: £1276).

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 2023 was (£116) (2022: net income of £64,935) and its reserves at 31 December 2023 were £13,285 (2022: £13,169). Dudley Zoo Development Trust was exempt from having an audit in the years ended 31 December 2023 and 2022 by virtue of its size.

Dudley and West Midlands Zoological Society Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

11	STOCKS	<i>Group</i>		<i>Society</i>	
		2023 £	2022 £	2023 £	2022 £
	Food stuffs, materials and consumables	11,754	14,290	11,754	14,290
	Goods for sale	92,004	84,771	-	-
		<u>103,758</u>	<u>99,061</u>	<u>11,754</u>	<u>14,290</u>
		<u><u>103,758</u></u>	<u><u>99,061</u></u>	<u><u>11,754</u></u>	<u><u>14,290</u></u>
12	DEBTORS	<i>Group</i>		<i>Society</i>	
		2023 £	2022 £	2023 £	2022 £
	Trade debtors	39,197	34,369	7,107	3,415
	Other debtors	35,131	3,441	77,050	33,104
	Amounts due from group undertakings	-	-	-	-
	Prepayments and accrued income	79,082	178,138	74,967	173,709
		<u>153,410</u>	<u>215,948</u>	<u>159,124</u>	<u>210,228</u>
		<u><u>153,410</u></u>	<u><u>215,948</u></u>	<u><u>159,124</u></u>	<u><u>210,228</u></u>

Dudley and West Midlands Zoological Society Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

13	CREDITORS: Amounts falling due within one year	<i>Group</i>		<i>Society</i>	
		2023 £	2022 £	2023 £	2022 £
	Trade creditors	359,000	407,840	247,072	296,081
	DMBC Loan	40,000	40,000	40,000	40,000
	Other taxation and social security	40,966	51,606	40,966	35,197
	Other creditors	15,163	12,748	14,683	12,508
	Accruals and Deferred Income	176,806	172,085	122,849	116,347
	Corporation Tax Payable	-	-	-	-
	Amount due to group undertakings	-	-	71,049	56,797
		<u>631,935</u>	<u>684,279</u>	<u>536,619</u>	<u>556,930</u>
		<u><u>631,935</u></u>	<u><u>684,279</u></u>	<u><u>536,619</u></u>	<u><u>556,930</u></u>
14	CREDITORS: Amounts falling due in more than one year	<i>Group</i>		<i>Society</i>	
		2023 £	2022 £	2023 £	2022 £
	Dudley Metropolitan Borough Council				
	Long term loan	250,000	250,000	250,000	250,000
	DMBC Loan	240,000	280,000	240,000	280,000
		<u>490,000</u>	<u>530,000</u>	<u>490,000</u>	<u>530,000</u>
	Total	<u><u>490,000</u></u>	<u><u>530,000</u></u>	<u><u>490,000</u></u>	<u><u>530,000</u></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 2023

15 RESTRICTED FUNDS

	Balance 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 December 2023 £
GROUP AND SOCIETY					
Donations for animal feed from the Dudley Zoo Development Trust	-	43,080	(43,080)	-	-
<i>Heritage lottery fund:</i>					
Chairlift Project	29,856	-	(6,072)	-	23,784
Tecton Entrance & Shop	147,685	-	(12,394)	-	135,291
Tecton Introductory Exhibit.	6,769	-	(589)	-	6,180
Bear Ravine	173,956	-	(13,916)	-	160,040
<i>European Regional Development Fund:</i>					
Harry Hatch's Cottage	69,139	-	(5,969)	-	63,170
Castle Visitor Centre	192,469	-	(13,275)	-	179,194
Sculptures	11,750	-	(1,500)	-	10,250
Fencing at Entrance	11,617	-	(1,467)	-	10,150
Glass Panels at Entrance	5,022	-	(635)	-	4,387
Getty Foundation Project	-	-	-	-	-
LEP Grant	251,664	-	(20,000)	-	231,664
Apprenticeship Fund	-	1,500	(1,500)	-	-
LEP Visitor & Education Centre	-	3,083	(3,083)	-	-
Adult Changing Places	-	40,000	(667)	-	39,333
Castle Maintenance Grant	143,326	150,000	(2,996)	(37,500)	252,830
	<u>1,043,253</u>	<u>237,663</u>	<u>(127,143)</u>	<u>(37,500)</u>	<u>1,116,273</u>

Dudley and West Midlands Zoological Society Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

RESTRICTED FUNDS - 2022

	Balance 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance 31 December 2022 £
GROUP AND SOCIETY					
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
Tectons Project	-	-	-	-	-
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>

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.

Dudley and West Midlands Zoological Society Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

BEAR RAVINE

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

HARRY HATCH'S COTTAGE

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

CASTLE VISITOR CENTRE

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

SCULPTURES

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

FENCING

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

GLASS PANELS

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

CASTLE MAINTENANCE GRANT

The Society receives an annual grant from Dudley MBC in respect of the Castle and the maintenance thereof. This is either spent in the year it is received and/or carried forward to future periods where it can be utilised for future major restoration work projects. In 2020 (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.

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 2023

ADULT CHANGING PLACES FUND

In 2023 an adult changing place was constructed with the assistance of funding from the Department for Levelling Up, Housing and Communities, which was administered by Dudley MBC.

16	CALLED UP SHARE CAPITAL			
	GROUP AND SOCIETY		Authorised	Allotted and fully paid
	At 31 December 2022 and 31 December 2023			
	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			Balance 31
	GROUP	January	Surplus in	Transfers	December
		2023	year		2023
		£	£	£	£
	General income funds	3,941,685	(63,192)	37,500	3,915,993
	Designated reserve	1,500,000	-	-	1,500,000
		<u>5,441,685</u>	<u>(63,192)</u>	<u>37,500</u>	<u>5,415,993</u>
	SOCIETY	Balance 1			Balance 31
		January	Surplus in	Transfers	December
		2023	year		2023
		£	£	£	£
	General income funds	3,930,252	(63,571)	(37,500)	3,904,181
	Designated reserve	1,500,000	-	-	1,500,000
		<u>5,430,252</u>	<u>(63,571)</u>	<u>(37,500)</u>	<u>5,404,181</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), Reindeer enclosure -

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for the year ended 31 December 2023

£300k (2021: £200k), African Wild Dog enclosure - £100k (2021: £100k), and the Chimpanzee enclosure - £400k (2021: £300k). In 2023 the Giraffe enclosure was completed and this has been replaced in the designated funds project programme by the Reindeer enclosure.

UNRESTRICTED FUNDS - 2022	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>
	£			£

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 for the year ended 31 December 2023

18	NET ASSETS BY FUNDS - 2023	Unrestricted £	Restricted £	Total £
	GROUP			
	Funds are represented by:			
	Fixed assets	2,944,472	1,116,273	4,060,745
	Current assets	3,593,556	-	3,593,556
	Current liabilities	(631,935)	-	(631,935)
	Long term liabilities	(490,000)	-	(490,000)
		<u>5,416,093</u>	<u>1,116,273</u>	<u>6,536,366</u>
	SOCIETY			
	Funds are represented by:			
	Fixed assets	2,947,484	1,116,273	4,063,757
	Current assets	3,483,416	-	3,483,416
	Current liabilities	(536,619)	-	(536,619)
	Long term liabilities	(490,000)	-	(490,000)
		<u>5,404,281</u>	<u>1,116,273</u>	<u>6,520,554</u>
	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>

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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.

	2023	2022
	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	10,333	10,533
	<hr/>	<hr/>
	11,333	11,533
	<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 2023 the Group owed a total of £332,330 (2022: £252,198) to Dudley Metropolitan Borough Council. These liabilities are included within trade creditors of £80,131 (2022: nil), other creditors £2,198 (2022: £2,198), accruals £nil (2022: £nil), 10 year £400k loan £280,000 (2022: £320,000) and long-term loans £250,000 (2022: £250,000).

During the year, the group made payments of £145,458 (2022: £46,103) and were invoiced £225,589 (2022: £42,303) 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 2023 was £85,000 (2022: £128,500).

23 CONTINGENT LIABILITIES

The Society is party to a group VAT registration. At 31 December 2023 no amount is outstanding in respect of other group companies as the group is owed £16,327 (2022:£16,408; being the amount due for Qtr 4 2022).