

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

FINANCIAL STATEMENTS

for the year ended
31 December 2007

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

OFFICERS AND ADVISORS

PRESIDENT

Vacancy

VICE-PRESIDENT

Mrs K Tobler

FOUNDER MEMBERS

Miss M W Badham, MBE, MSC (died October 2007)
Miss S N Evans

COMMITTEE (TRUSTEES)

I Ellis, BA – Chair
A D Conner, Bcom, FCA – Vice Chair
Mrs I Kettner-Wood (retired 20 March 2007)
V Manton, MBE, MRCVS, Cbiol, FI Biol
Dr D J Chivers, MA, PhD, ScD
R E Eifion-Jones
Mrs J Storkey
A Greenwood, MA, VetMB, FI Biol, DipECAMS, FRCVS
Mrs R Johnson, BA, MCLIP
Prof A Flint BSc, DSc

SECRETARY

Mrs K A Marshall

REGISTERED OFFICE

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

REGISTERED NUMBER

1060956

CHARITY NUMBER

501841

AUDITORS

Baker Tilly UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

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

OFFICERS AND ADVISORS (continued)

BANKERS

HSBC Private Bank (UK) Limited
78 St James's Street
London
SW1A 1HL

HSBC plc
67 The Parade
Sutton Coldfield
West Midlands
B72 1PU

SOLICITORS

Argyles
43 Albert Road
Tamworth
B79 7JZ

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

CONTENTS

	Page
Report of the trustees	4 - 14
Statement of trustees responsibilities	15
Independent auditor's report	16
Consolidated statement of financial activities	17
Consolidated income and expenditure account	18
Consolidated balance sheet	19
Company balance sheet	20
Consolidated cash flow statement	21
Accounting policies	22 - 23
Notes to the financial statements	24 - 36

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

REPORT OF THE TRUSTEES

for the year ended 31 December 2007

The trustees present their report and the audited accounts for the year ended 31 December 2007.

CONSTITUTION

Twycross Zoo – East Midland Zoological Society Limited ("the Society") is a company limited by guarantee and its governing document is the Memorandum and Articles of Association. The Society is registered with the Charity Commission – Charity Number 501841.

The Board of Trustees ("the Committee") confirm that the accounts comply with current statutory requirements and those of the governing documents.

STRUCTURE GOVERNANCE AND MANAGEMENT

The saddest event of 2007 has been the passing of Miss Badham, some of our team knew her well, and were deeply effected; this was certainly the end of an era for Twycross Zoo.

The members of staff who were unable to attend the funeral lined the drive to wish a final farewell to this great lady of the zoo world.

Members of the Committee

All of the members shown on the summary of officers and advisers, served throughout the year except as indicated. In accordance with the Society's Articles of Association, the following committee members retire by rotation:

I Ellis
V Manton
R E Eifion-Jones
R Johnson
A D Conner
A Greenwood

All of the retiring members being eligible offer themselves for re-election.

No trustees have an interest in the Society.

Method of Appointment of Trustees

The existing Committee appoint new Trustees as and when they see fit in order to maintain an appropriate range of skills and experiences amongst the members. New Trustees undergo extensive briefing on the organisation and its aims and objectives.

The Trustees held a workshop on February 22 2007 on the issue of Governance, along with other representatives from organisations within the Charity Leisure Sector, with representation from both the Charity Commission and ACEVO. The outcomes were considered by the Trustees and new procedures for Trustee appointment, training, appraisal and terms of office are being implemented.

Indemnity Insurance

In common with commercial organisations the Society maintains indemnity insurance on behalf of its Trustees.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

STRUCTURE GOVERNANCE AND MANAGEMENT (continued)

Organisation Structure

The Committee meet on a quarterly basis and will call Special General Meetings as and when these are required. In addition, the Chair and Vice Chair visit the Zoo on a frequent basis to review activities within the Zoo and meet with the Chief Executive Officer.

The Management Team has continued to develop and implement procedures to provide effective day to day running of the organisation under the leadership of the strategy and marketing manager. The team are in the process of implementing the World Association of Zoos and Aquarium's Conservation Strategy. This team also provides the first forum for consideration of any ethical issues faced by the organisation. Animal welfare and management issues are further considered at veterinary-based "Grand Rounds" discussions held quarterly.

The Ethics Committee meets on an annual basis unless otherwise required to consider the overall ethical review process and focuses on any special ethical issues, which could not be resolved by the Management Team or at Grand Rounds.

The Finance Group, which comprises management and certain members of the Board meets regularly to consider and review financial aspects, procedures and controls.

PRINCIPAL OBJECTS AND ACTIVITIES

The Society's principal charitable activity is the enhancement of animal, education and conservation welfare. The Society also carries out retail and catering activities to generate additional income.

The Society aims to:

Practice professional standards of animal care and welfare and develop environmental enrichment programmes to give our animals a fulfilled life, both physically and mentally.

Incorporate our animals, wherever possible, into regional and global breeding programmes to aid species conservation.

Support sound genetic management and co-operative policies to maintain the genetic diversity of species in our care and support appropriate field programmes and reintroduction projects.

Develop formal and informal education programmes for all sectors of society about wildlife and its conservation (biodiversity).

Encourage the scientific study of animals in areas that further animal welfare and conservation.

Generate an income to fulfil the above and for the provision of facilities in the Zoo for the enjoyment and cultural enrichment of our visitors.

The Society owns and manages a Zoological Gardens at Norton-Juxta-Twycross in Warwickshire covering an area of some 60 acres.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

PRINCIPAL OBJECTS AND ACTIVITIES (continued)

Animals, Education and Conservation Welfare

- Animals

The Society works with managed programmes at EEP (European Endangered Species Programme) and ESB (European Stud Book) levels within Europe, to ensure continued species management and breeding in captivity.

The Society continues its specialisation into primates and is world renowned for the number of species and subspecies managed.

The Society is involved in various zoological working groups at both national, and international levels.

- Education

The Education Department offers a range of teaching sessions for the national curriculum covering the full syllabi from primary school to university education. These are delivered both on and off the Zoo site.

The Zoological Park provides facilities and support to research students covering a broad range of subjects including animal welfare, behaviour and nutrition.

The Education Department offers a wide range of teaching materials in both hard copy and CD ROM format.

The Society provides informal education to the public by means of signs, graphics, talks around the Zoo, educational trails and leaflets.

- Conservation

The Conservation Welfare Fund was launched in early 2006. Initially one million pounds of the Charity's reserves was set aside to generate funds, from interest and from donations, which will provide grants to wildlife conservation and/or welfare projects nationally, internationally and in house. In 2007 £62,000 of grants were awarded and at 31 December 2007 £1,132,933 was retained in the fund.

The Society educates the public in the greater knowledge of conservation issues throughout the world through PR and education initiatives.

From our work with EEP (European Endangered Species Programme) and ESB (European Stud Book) we continue our breeding programmes to ensure species survival.

- Retail and Food & Beverage

The Society owns the whole of the issued share capital of Zoo Park (Twycross) Limited whose activities include the management of shops, cafeterias and children's entertainment rides at the Zoo. The aim of this subsidiary is to generate funds to maintain the financial viability of the charity. The subsidiary company pays rent to the Society in respect of the buildings and assets utilised by the shops, cafeterias and rides.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

2007 ACHIEVEMENTS AND PERFORMANCE

- Animals

The society continues to maintain one of the most important and diverse primate collections in captivity and during the year we saw the arrival of a pair of red titi monkey as part of the European breeding programme for this species. We were delighted to record the birth of a male concolor gibbon, even more so as for the first time in the Society's history the baby is being cared for by the mother without the need for intervention by the keepers. The beginning of the year saw the unexpected death of our female Amur leopard whilst rearing a litter of two male cubs. Fortunately the cubs were just at the age of weaning and continued to develop well under the professional care of the keepers involved and are important additions to the world population of this critically endangered species. Sadly, 2007 also saw the death of our last remaining red howler monkey.

The completion of the all-weather sand paddock for our Asian elephants has resulted in world-class facilities for this species. The increase in usable space and the addition of sand has seen a dramatic change in the behaviour of the elephants as well as notable improvements to their general foot care.

The redevelopment of the waterfowl lakes and free-flight aviary were completed prior to the summer holidays. As with the elephants this has resulted in a major improvement to the enclosures that we now have for a number of species, including saddle-bill stork, pink-backed pelican, cattle egret and our flock of Chilean flamingo's.

Continuing through the year were the planning processes for the new exhibits for snow leopards and wading birds as part of the new Visitor Welcome Centre and new enclosures for our Asiatic lions and dhole. The latter will ensure the development of much larger moated areas for these species and will enable the keepers to rotate the species between different enclosures. This will provide a greater degree of variety to the habitats they occupy whilst increasing their sensory stimulation.

- Education

The education team have taught nearly 28,000 pupils in classroom sessions, which is a 20% increase on the previous year and is virtually double the average annual figure prior to 2005. A push to increase tertiary teaching figures resulted in an increase of 70% over the figures for 2006.

Education held events to raise awareness and generate donations for the EAZA (European Association of Zoos and Aquaria) 'Conserve Madagascar' campaign for which the zoo gained a Bronze Award.

The education programme 'Future is Wild meets Twycross Zoo' was entered for the BIAZA (British and Irish Association of Zoos and Aquaria) Awards for Communication and Education and against stiff competition won the award for Best Formal Education Programme, this was the second year in a row that Twycross had won.

The Outreach programme continued to grow and outside talks were offered to a whole new range of organisations including scout groups and Women's Institutes.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

2007 ACHIEVEMENTS AND PERFORMANCE (continued)

- Education (continued)

Signs around the Zoo were updated and a trail of sign language graphics for deaf visitors was produced which proved very popular with both disabled and hearing visitors. For the first time education worked with an outside design team (Haley-Sharpe) to produce graphics for the new wetlands exhibit.

- Conservation

There has been an increase in both the number of projects and the amount of funding provided by the Conservation Welfare Fund (CWF) in 2007. In total the fund provided over £60,000 for conservation and welfare projects around the world.

£11,000 from donations in 2006 was paid in 2007 to Borneo Orang-Utan Survival. They were awarded the funds to help complete a groundbreaking relocation of over 50 orang utans from the rehabilitation centre at Nyaru Menteng to an island safe haven in the Betikap Valley. A further £12,000 has been raised in 2007.

As well as foreign projects this year the CWF also funded two native projects. The first was an otter habitat regeneration project. This is an ongoing project run by Gopsall Fishing Club to increase the amount of habitat suitable for otters in Leicestershire. Since the work was carried out earlier this year there has been an increase in otter activity in the area. The second was a project run by Warwickshire Wildlife Trust to protect the water vole population in Wolvey, Warwickshire. With funds from the CWF they have implemented a programme to ensure control of the mink population and increase suitable habitat for this locally threatened species.

We have also had the chance to become involved with some very exciting projects in 2007. Funding was given to Wildlife Vets International to allow travel to the Russian Far East to set up a wildlife disease course on big cats. This is a very important first step in an Amur leopard reintroduction programme. Since then they have revisited the zoo to present their findings. The project is progressing very well with locations for a potential release having been identified.

In 2007 the Cao Vit Gibbon Conservation Programme also came to our attention. The programme, run in Vietnam, is aiming to conserve one of the most endangered apes in the world with less than 100 individuals remaining. This year the CWF provided £2,800 for project costs and the production of awareness materials. Paul Insua-Cao visited the zoo to present the project which is currently struggling for funding. The Conservation Officer visited the project in Vietnam in September 2007 to assess it for the potential of becoming one of the five primates Twycross Zoo helps to secure a future for in the wild by 2020.

The CWF has started 2008 with more funds to allocate than in 2007. The popularity of the fund has grown and with more applications arriving than ever 2008 is set to be a very exciting year.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

2007 ACHIEVEMENTS AND PERFORMANCE (continued)

- Conservation (continued)

Grants Given 2007 - Organisation	Total Grant
Wild Aid Asia (Ranger Patrols for KhaoYai National Park)	£901
Conservation Breeding Specialist Group Annual Donation	£782
Tapir Specialist Group (Donation to Annual Workshop)	£773
Fauna and Flora International Cao Vit Gibbon Conservation Programme	£1,500
Armonia/Birdlife International Red Fronted Macaw Programme (Annual Donation)	£1,000
In Defense of Animals Africa Devision (Sanaga-Yong Chimpanzee Sanctuary)	£3,000
Jeune Animaux Confisque a Katanga (Chimp Sanctuary)	£3,000
Ratel Magazine (Annual Payment)	£1,000
Association pour le Etude et Cconservation des Lemuriens (Cyclone Disater Releif)	£1,000
Sumaco Project South America (Community and Habitat Conservation)	£3,000
Gopsall Fishing Club (Otter Habitat Management)	£3,000
Wildlife Vets International (Amur Leopard Conservation Programme)	£3,000
Wildife Information Network (New volume on Great Apes: Their Diseases and Viruses)	£10,000
Zoo News Digest (Contribution to Work)	£300
Association pour le Etude et Conservation des Lemuriens (Lemur Conservation)	£1,000
Pan African Sanctuary Alliance (Training Workshop for Sanctuary Managers)	£955
Chimpanzee Rehabilitation Trust (Hippo Conservation)	£2,800
Jane Goodall Institue (Annual Donation)	£60
Zoo Outreach Organisation (Human Elephant Conflict Programme)	£3,043
Lola Ya Bonobo (Donation to Sanctuary's Running Costs)	£3,000
Chimpanzee and Wildlife Conservation Trust Uganda (Human-Chimp Conflict Programme)	£2,597
Fauna and Flora International Cao Vit Gibbon Conservation Programme (Awareness Materials)	£1,330
Tapir Specialist Group (Donation to Annual Workshop)	£500
Warwickshire Wildlife Trust (Water Vole Conservation)	£2,600
Elephant Care International (Reducing the risk of TB migrating into wild elephants)	£3,000
Titi Monkeys (Annual Breeding Programme Donation)	£1,097
CERCOPAN (Improvement of Veterinary Facilities at the Monkey Sanctury)	£3,000
EAZA Campaign (Madagascar 2007)	£4,702
	£61,939

- Retail and Food & Beverage

Both departments experienced a very successful year in 2007 with a combined turnover of £2,393,266 producing a net profit of £684,887. The residual taxable profit has been gift aided to the charity.

The Retail department increased turnover by 18% with improved gross profit margins due to more structured pricing and buying.

Our Gift Shops again sold products to raise funds for the European Association of Zoos and Aquaria 2007 campaign for aid to Madagascar. We were awarded a Bronze EAZA Award for the total of £4701 raised.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

2007 ACHIEVEMENTS AND PERFORMANCE (continued)

- Retail and Food & Beverage (continued)

The Food and Beverage Department's success continued into 2007 with an improved gross profit margin as the home cooked range increased in popularity. Customer throughput time has been reduced considerably during the year. As a result spend per head saw another increase of 12%.

The move to biodegradable disposable products took place early in 2007 as planned. We are still in the process of sourcing local and fair trade produce in line with our conservation welfare policies. A contract was signed at the end of 2007 with our local butcher who sources from local farmers wherever possible and talks with other suppliers are continuing.

FINANCIAL REVIEW

The refurbishment of Norton Grange was completed in 2007 providing the Finance and Administration of Twycross Zoo with fully equipped new offices. Our new Access accounts system is running smoothly, and staff and managers have accepted the purchasing procedures. We have introduced a goods received protocol to ensure that orders are fully complete and accurate before sign off. The purchasing system has been extended to the Food and Beverage Department and will be introduced for Retail in early 2008.

We were pleased to welcome 540,899 visitors to Twycross Zoo in 2007 an increase of 6.5% (33,145) on 2006. The outstanding month was March with a 68% increase.

2007 was an exceptional year for Zoo Park (Twycross) Limited gift aiding profits of £684,887 to the Zoo, a 41% increase on last year. Both the Food & Beverage and the Retail Department have benefited from more structured purchasing and pricing producing better gross profit margins.

On October 19 we were involved in a VAT Tribunal regarding VAT issues on Adoptions and Encounters. HM Revenue and Customs conceded before the hearing that the adoptions were indeed a standard rated supply, and the encounter issue resulted in a ruling in Twycross' favour. Although this does not resolve our partial exemption issue it is a small step in the right direction and thus helps our claim that animals do indeed raise vatable income. We were also awarded costs which has helped to reduce our expected Legal and Professional fees for 2007. We await our High Court hearing to resolve the remaining issues.

The department has benefited from the recruitment of a Finance Supervisor, experienced in the Access accounts system. Three members of staff are all currently at various levels on AAT (Association of Accounting Technicians) courses.

This is the time of year when we can reflect on all that has been achieved, the Finance and Administration Departments continue to grow and develop as systems and policies are introduced and refined. We are much more integrated, Administration staff help in the Finance Cash Office during the weekends and most Finance staff are trained to cover the Reception and Administration Office during lunch breaks and holidays. Each department has much more understanding and empathy of the day to day problems others have to cope with.

The Finance team also initiated further training for Visitor Services. This proved successful and helpful, giving our seasonal staff a real understanding of the importance of the gift aid income stream. We plan to repeat this at various intervals throughout the future summer seasons. We are also extending training days within our own department to keep all the team up to date with changes in legislation.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

FINANCIAL REVIEW (continued)

We extend our grateful thanks to Twycross Zoo Association for their help and support with Tropical House Tours, the Information Centre and specific projects such as the Victorian Christmas Wonderland.

Our strategy is taking shape, and this again highlights the massive changes that have taken place already. We approach the end of 2007 with a very positive look to the future, understanding that the new developments will bring different and challenging pressures for us to cope with. We are confident that our team has grown in confidence and skills, enough to cope with whatever 2008 brings.

FUTURE DEVELOPMENTS

- Animals

The Society will further participate in managed breeding programmes in line with the development of the animal collection.

The Society plans to continue to develop and create new exhibits for continued welfare improvements and take into account advances in veterinary procedures and animal management techniques. Plans for the proposed new Visitor Welcome Centre include two new exhibits for species from temperate regions.

Over the coming years there will be further development in the animal collection with a planned new improved lion enclosure situated adjacent to the Elephant Exhibit. This will also have an extended area for our Asiatic Dholes with the intention of allowing the Dholes access to the lion enclosure when appropriate in order to give them a greater variety of habitats to explore.

Plans also include the demolition of the old chimp houses with the chimps being re-housed in a new Ape Cognition Centre to be built in the area next to the Gorilla Enclosure.

The Society's Animal Management and Veterinary Department continues to be developed and Twycross Zoo is viewed as one of the foremost organisations focusing on the captive care and management of primates, as well as conservation and welfare efforts further afield.

- Education

The Outreach Programme will be updated and developed to take into account such organisations as the University of Third Age, Women's Institutes, Scouts and Boys' & Girls' Brigade due to the increased demand for our expertise.

Education talks are continually updated to take into account changes in syllabi.

Our Educational talks have an emphasis on our objective to highlight conservation issues as well as focussing on the animal welfare issues addressed by the Society. A further development will be Government initiatives such as Science in the Workplace and Learning Outside the Classroom for Primary Teaching. Twycross Educational Department have also become members of the Children's University.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

FUTURE DEVELOPMENTS (continued)

- Conservation

In all future building projects we will endeavour to build the most environmentally efficient structures as possible using industry standards such as BREEAM and the ISO14000 series wherever possible to maximise our energy efficiency and reduce waste.

We are identifying five endangered primate species on which to focus our efforts so that we can help to secure their future in the wild by 2020.

We are giving serious consideration to the "carbon footprint" of the organisation and plan to move the operations of the organisation to be as close as possible to carbon neutral. We have already taken the first step towards this aim by helping to reduce landfill sites by the purchase of our own Composting machine. Site preparation is due to commence early in 2008.

- Retail and Food & Beverage

As part of our efforts to conserve the resources of our planet we will continue to use biodegradable disposable products, such as plates, coffee cups, cutlery etc.

We will continue to source local produce wherever possible and for those items we are unable to procure locally will use UK producers wherever possible.

It is proposed that we will continue to build sales of Fair Trade products and this will be achieved by sourcing commercially viable products from Fair Trade suppliers.

It is intended to extend the range of products, which emphasise the conservation, educational and environmental message of the Society. Select use of the Twycross Zoo brand will be used to ensure that we endorse products that fit into our core messages.

Our Visitor Welcome Centre, work due to commence in late 2008, and some interim measures are aimed at maximising the visitor experience and revenue generation. It will replace the main cafeteria, which is not economical to repair or renovate, and two shops where the buildings are not suitable for purpose and are required for other functions. The Zoo currently provides little shelter for visitors and the facilities destined for replacement do not currently meet the visitors' needs. An investment appraisal on the proposed Visitor Welcome Centre, prepared with very cautious projections, indicates a good return on investment.

RELATIONSHIPS WITH OTHER CHARITABLE BODIES

The Society maintains active links and co-operates with other zoos and animal welfare bodies throughout the world in the furtherance of the Charity's aims and objectives. A memorandum of understanding is in place with the Wildlife Information Network so that the development of 'Wildpro', the electronic encyclopaedia on the health and management of captive and free ranging wild animals and their environments.

VOLUNTEERS

The Committee wishes to record its gratitude to the Twycross Zoo Association and the numerous volunteers for their contribution to the Society during the year.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

RESERVES POLICY

The Committee consider the retention of reserves of approximately £13.0 million desirable to meet the future operating requirements and future developments. Any reserves above this figure the Committee will regard as free reserves, available to be spent as they direct. An outline of the reserves policy includes the following:

- One million pounds allocated to the Conservation Welfare Fund.
- Two and a half million pounds contingency provision for operations and maintenance costs in the event of the Zoo being unable to open, or similar large-scale crisis.
- Eight million pounds to be reinvested in future developments including the visitor welcome centre.

RISK MANAGEMENT

The Society continually reviews the major risks that it faces and has developed systems to monitor and control these risks to mitigate any impact they may have on the Society in the future.

The principle risks and uncertainties facing the Society's ongoing success are factors affecting visitor numbers, for example the uncertain British weather which can have a profound effect on the number of visitors and thus reduce income dramatically. Other vulnerabilities, which could affect our income, are: Changes in social attitudes and unforeseen major problems (such as Foot and Mouth disease and Avian Influenza).

Our profit could also be threatened by unforeseen expenditure such as major repairs or a change of forward planned spending.

The estimated cost of running Twycross Zoo for one year without income is £2.5 million. Our policy is to always keep reserves of at least this sum as a contingency against risks such as the above.

INVESTMENT POLICY

In 2006 the Committee agreed the appointment of HSBC Private Bank to manage the Society's reserves. These have been invested into various products over varying timescales from 18 months to 5 years. All investments are capital protected, in line with our investment policy. The performance of the investments will be reported at the quarterly Council Meetings.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

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

REPORT OF THE TRUSTEES (continued)
for the year ended 31 December 2007

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board

I Ellis
Chair

19 March 2008

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

TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TWYXCROSS ZOO - EAST MIDLAND ZOOLOGICAL SOCIETY LIMITED (BY GUARANTEE)

We have audited the financial statements on pages 17 to 36.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Twycross Zoo – East Midland Zoological Society Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Trustees'/Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees'/Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and group as at 31 December 2007 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees'/Directors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

B2 5AF

19 March 2008

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2007

	<i>Notes</i>	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2007 £	Total 2006 £
INCOMING RESOURCES						
INCOMING RESOURCES FROM GENERATED FUNDS						
<i>Voluntary income:</i>						
Donations and gifts	1	19,437	24,811	-	44,248	42,426
<i>Activities for generating funds:</i>						
Retail and catering	3	2,393,266	-	-	2,393,266	2,019,855
Investment income	6	135,318	-	-	135,318	393,919
INCOME FROM CHARITABLE ACTIVITY						
Animal, education and conservation welfare	2	4,199,421	12,000	-	4,211,421	3,764,011
OTHER						
VAT refund		-	-	-	-	240,678
TOTAL INCOMING RESOURCES		6,747,442	36,811	-	6,784,253	6,460,889
RESOURCES EXPENDED COSTS OF GENERATING FUNDS						
Retail and catering	3 / 4	1,492,540	-	-	1,492,540	1,344,756
CHARITABLE ACTIVITY						
Animal, education and conservation welfare	4	4,417,191	15,701	-	4,432,892	4,041,542
GOVERNANCE COSTS	4	63,672	-	-	63,672	55,114
TOTAL RESOURCES EXPENDED	4	5,973,403	15,701	-	5,989,104	5,441,412
NET INCOMING RESOURCES	16/17	774,039	21,110	-	795,149	1,019,477
OTHER RECOGNISED GAINS AND LOSSES						
Change in market value of listed investments						
- Realised gain		267,505	-	-	267,505	-
- Unrealised gain	11	491,002	-	-	491,002	472,400
NET MOVEMENT IN FUNDS		1,532,546	21,110	-	1,553,656	1,491,877
Fund balances brought forward at 1 January 2007	17	18,554,629	11,000	100,000	18,665,629	17,173,752
Fund balances carried forward at 31 December 2007	17	<u>20,087,175</u>	<u>32,110</u>	<u>100,000</u>	<u>20,219,285</u>	<u>18,665,629</u>

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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2007

	<i>Notes</i>	2007 £	2006 £
TURNOVER		6,604,687	6,007,432
Cost of sales		(938,360)	(826,399)
GROSS SURPLUS		5,666,327	5,181,033
Administrative expenses		(5,046,544)	(4,604,701)
Other operating income		44,248	42,426
OPERATING SURPLUS	5	664,031	618,758
Interest receivable and similar income	6	135,318	393,919
Interest payable		(4,200)	(4,200)
Taxation	7	-	-
NET INCOME FOR THE YEAR	16	795,149	1,008,477

Turnover and operating profit for the year arise from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure Account.

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

CONSOLIDATED BALANCE SHEET

31 December 2007

	<i>Notes</i>	2007 £	2006 £
FIXED ASSETS			
Tangible assets	10	7,420,194	5,997,482
Investments	11	9,008,548	9,473,146
		<u>16,428,742</u>	<u>15,470,628</u>
CURRENT ASSETS			
Stocks	12	108,320	107,170
Debtors	13	111,296	100,642
Cash at bank and in hand		3,859,445	3,619,222
		<u>4,079,061</u>	<u>3,827,034</u>
CREDITORS: Amounts falling due within one year	14	(218,518)	(562,033)
		<u>3,860,543</u>	<u>3,265,001</u>
NET CURRENT ASSETS			
		<u>20,289,285</u>	<u>18,735,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	15	(70,000)	(70,000)
		<u>20,219,285</u>	<u>18,665,629</u>
NET ASSETS			
		<u><u>20,219,285</u></u>	<u><u>18,665,629</u></u>
FUNDS			
Endowment fund	16	100,000	100,000
Restricted funds	16	32,110	11,000
Unrestricted Funds:			
Designated	16	9,132,933	9,027,722
Other	16	10,954,242	9,526,907
		<u>20,219,285</u>	<u>18,665,629</u>
		<u><u>20,219,285</u></u>	<u><u>18,665,629</u></u>

The financial statements on pages 17 to 36 have been approved by the board and authorised for issue on 19 March 2008 and are signed on its behalf by:

I Ellis
Chair

A D Conner
Vice Chair

Twycross Zoo - East Midland Zoological Society Limited (by
guarantee)
COMPANY BALANCE SHEET
31 December 2007

	<i>Notes</i>	2007 £	2006 £
FIXED ASSETS			
Tangible assets	10	7,420,194	5,997,482
Investments	11	9,081,048	9,545,646
		<u>16,501,242</u>	<u>15,543,128</u>
CURRENT ASSETS			
Stocks	12	8,729	9,599
Debtors	13	686,167	335,940
Cash at bank and in hand		2,797,596	2,828,396
		<u>3,492,492</u>	<u>3,173,935</u>
CREDITORS: Amounts falling due within one year	14	(218,701)	(495,686)
		<u>3,273,791</u>	<u>2,678,249</u>
NET CURRENT ASSETS			
		<u>19,775,033</u>	<u>18,221,377</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	15	(70,000)	(70,000)
		<u>19,705,033</u>	<u>18,151,377</u>
NET ASSETS			
FUNDS			
Endowment fund	16	100,000	100,000
Restricted funds	16	32,110	11,000
Unrestricted Funds:			
Designated	16	9,132,933	9,027,722
Other	16	10,439,990	9,012,655
		<u>19,705,033</u>	<u>18,151,377</u>

Approved by the board on 19 March 2008

I Ellis
Chair

A D Conner
Vice Chair

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

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2007

	<i>Notes</i>	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20a	589,380	1,337,157
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		135,318	393,919
Interest paid		(4,200)	(4,200)
		131,118	389,719
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payment to acquire tangible fixed assets		(1,706,130)	(1,107,714)
Receipts from sale of tangible fixed assets		2,750	4,000
Transfer to fixed asset investments		-	(9,000,746)
Receipts from sale of listed investments		4,720,105	-
Payments to acquire listed investments		(3,497,000)	-
		(480,275)	(10,104,460)
INCREASE/(DECREASE) IN CASH	20b	240,223	(8,377,584)

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

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost accounting rules as modified by the revaluation of investment assets and are in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP) issued in March 2005, applicable to UK accounting standards and the Companies Act 1985.

As permitted by section 230 of the Companies Act 1985 the income and expenditure account of the parent company has not been separately presented in the financial statements.

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of the company and its subsidiary undertaking using acquisition accounting.

INCOME FROM CHARITABLE TRADING ACTIVITIES

Income from admission receipts and sales is included in incoming resources on an accruals basis net of any related value added tax.

NON-CHARITABLE TRADING TURNOVER

Income from sales generated by the gift shops, cafeterias and rides is included in incoming resources on an accruals basis net of value added tax.

DONATIONS, GIFTS AND LEGACIES

Income from donations is included in incoming resources when received. Legacies are included in income upon the entitlement becoming legally enforceable and there being a reasonable degree of certainty as to amount. Gifts in kind, if material, are included at an estimate of market value.

INVESTMENT INCOME

Investment income is included in incoming resources when receivable.

RESOURCES EXPENDED

Expenditure is included in the Statement of Financial Activities on an accruals basis net of value added tax.

- Costs of generating funds are those costs incurred in the trading activities of the retail and catering functions.
- Charitable activities include expenditure associated with animals, education and conservation and include both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

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

ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives as follows:

Freehold land and buildings (excluding £220,000 related to land value)	-	2½% per annum
Outbuildings	-	10% per annum
Tools and implements, furniture and equipment, generator and sub-station, cafeteria utensils	-	10% per annum
Cafeteria and garage plant	-	15% per annum
Motor vehicles and miniature railway	-	20% per annum
Computers	-	25% per annum

STOCKS

Stocks are valued at the lower of cost and net realisable value.

ZOO ANIMALS

No valuation is made of the animal collection at the end of each year. Purchases and sales appear in the accounts as revenue items in the year in which they arise.

LEASED ASSETS

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred.

TAXATION

No provision for taxation is necessary as the Society is registered as a charity. Its trading company gift aids the whole of its taxable profits to the Society each year.

RETIREMENT BENEFITS

The company runs a stakeholder pension scheme. The amount charged in respect of pension costs is the employers contributions payable for the year.

INVESTMENTS

Investments are stated at market value. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1	VOLUNTARY INCOME	2007 £	2006 £
	General donations and gifts	44,248	42,426
		<u> </u>	<u> </u>
2	INCOME FROM CHARITABLE ACTIVITY	2007 £	2006 £
	Gate admissions	3,270,127	2,925,073
	Gate donations	277,130	251,629
	Gift aid on admissions	577,748	500,500
	Other income	86,416	86,809
		<u> </u>	<u> </u>
		4,211,421	3,764,011
		<u> </u>	<u> </u>
3	RETAIL AND CATERING	2007 £	2006 £
	Turnover	2,393,266	2,019,855
	Cost of sales	(938,360)	(826,399)
		<u> </u>	<u> </u>
	Gross profit	1,454,906	1,193,456
	Administrative expenses	(808,582)	(726,342)
	Interest receivable	38,563	19,987
		<u> </u>	<u> </u>
	Net profit	684,887	487,101
	Amount gift aided to Twycross Zoo – East Midland Zoological Society Limited	(684,887)	(487,101)
		<u> </u>	<u> </u>
	Retained in subsidiary	-	-
		<u> </u>	<u> </u>
	Consolidation adjustments		
	Surplus before intercompany recharges and gift aid	935,789	689,086
		<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

3	RETAIL AND CATERING (continued)	2007 £	2006 £
	Reconciliation to SOFA		
	Cost of sales	938,360	826,399
	Administrative expenses	808,582	726,342
		<u>1,746,942</u>	<u>1,552,741</u>
	Less rent payable to parent	(250,902)	(201,985)
	Less auditors' remuneration reanalysed as governance costs	(3,500)	(6,000)
		<u>1,492,540</u>	<u>1,344,756</u>
	Retail and catering costs per SOFA	<u><u>1,492,540</u></u>	<u><u>1,344,756</u></u>

4	ANALYSIS OF TOTAL EXPENDITURE	Retail and catering costs £	Animal, education and conservation welfare costs £	Governance costs £	Total costs £
	COSTS DIRECTLY ALLOCATED TO ACTIVITIES				
	Animal care	-	394,220	-	394,220
	Building expenses	-	339,585	-	339,585
	Retail and catering	1,492,540	-	-	1,492,540
	Advertising and publicity	-	108,486	-	108,486
	Legal and professional	-	24,146	18,000	42,146
	Trustees expenses	-	-	1,295	1,295
		<u>1,492,540</u>	<u>866,437</u>	<u>19,295</u>	<u>2,378,272</u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

4	ANALYSIS OF TOTAL EXPENDITURE (continued)	Retail and catering costs £	Animal, education and conservation welfare costs £	Governance costs £	Total costs £
	SUPPORT COSTS ALLOCATED TO ACTIVITIES				
	Staff costs	-	2,265,301	35,701	2,301,002
	Office expenses	-	803,516	8,676	812,192
	Irrecoverable VAT	-	209,921	-	209,921
	Depreciation	-	283,517	-	283,517
	Financing costs	-	4,200	-	4,200
		-	3,566,455	44,377	3,610,832
	2007 Totals	1,492,540	4,432,892	63,672	5,989,104
	2006 Totals	1,344,756	4,041,542	55,114	5,441,412
5	OPERATING SURPLUS			2007 £	2006 £
	Operating surplus is stated after charging:				
	Operating lease rentals				
	- plant and machinery			12,712	6,305
	Auditors' remuneration				
	- for audit services			18,000	17,000
	- for non audit services			26,670	8,390
	Depreciation of tangible fixed assets			282,694	231,810
	(Profit)/loss on disposal of fixed assets			(1,724)	374
6	INTEREST RECEIVABLE AND SIMILAR INCOME			2007 £	2006 £
	Bank deposit interest			135,318	393,919

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

7	TAXATION	2007	2006
		£	£
	Current tax:		
	UK corporation tax on profits of period	-	-
		<u> </u>	<u> </u>
	Factors affecting tax charge for the period		
	The tax assessed for the period differs from the standard rate of corporation tax for small companies (19%) as explained below:		
	Profit on ordinary activities of Zoo Park (Twycross) Ltd	684,887	487,101
		<u> </u>	<u> </u>
	Tax at 20%/19% on profit	136,977	92,549
	Expenses disallowed	-	-
	Exempt under gift aid	(136,977)	(92,549)
	Zero tax rate	-	-
		<u> </u>	<u> </u>
	Corporation tax	-	-
		<u> </u>	<u> </u>

8	DIRECTORS AND EMPLOYEES	2007	2006
		£	£
	Group staff costs:		
	Wages and salaries	2,551,084	2,295,622
	Social security costs	213,464	181,921
	Pension costs	73,609	65,093
		<u> </u>	<u> </u>
		2,838,157	2,542,636
		<u> </u>	<u> </u>

One employee earned in excess of £60,000 per annum (2006: one), as follows:

	2007	2006
	£	£
£60,000 to £70,000	-	1
£70,001 to £80,000	1	-
	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

8 DIRECTORS AND EMPLOYEES (continued)

	2007	2006
Average weekly number of employees including directors:	No.	No.
Keepers	53	51
Maintenance (including visitor services)	44	47
Catering	46	40
Administration (including education)	37	30
Gift shop	12	12
	<hr/>	<hr/>
	192	180
	<hr/> <hr/>	<hr/> <hr/>

9 DIRECTORS

No remuneration was paid to the Trustees (2006: £Nil).

During the year the Trustees were paid expenses of £1,295 (2006: £1,960).

The charity has an agreement to provide annual pension payments to two of the senior members of the management team on their retirement. These financial commitments are not capable of accurate calculation as the total amount payable depends on a number of variable factors which cannot presently be determined. Consequently no provision has been included within these financial statements for future pension commitments.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

10 TANGIBLE ASSETS

GROUP AND COMPANY	<i>Freehold land and buildings</i> £	<i>Security and safety</i> £	<i>Tools and implements</i> £	<i>Generator and sub-station</i> £	<i>Motor vehicles</i> £	<i>Furniture and equipment</i> £	<i>Miniature railway</i> £	<i>Cafeteria plant and utensils</i> £	<i>Service station plant and fittings</i> £	<i>Computer</i> £	<i>Total</i> £
Cost											
1 January 2007	7,262,619	25,844	97,694	60,432	121,325	259,188	60,586	149,441	3,647	101,530	8,142,306
Additions	1,496,196	22,636	5,132	-	37,810	68,928	460	10,814	-	64,154	1,706,130
Disposals	-	-	(16,294)	-	(23,600)	(22,146)	-	(12,293)	-	(4,576)	(78,909)
31 December 2007	8,758,815	48,480	86,532	60,432	135,535	305,970	61,046	147,962	3,647	161,108	9,769,527
Depreciation											
1 January 2007	1,613,220	432	51,457	54,697	95,488	150,932	37,203	104,489	3,647	33,259	2,144,824
Charged in the year	194,996	2,584	7,338	4,785	11,433	18,290	8,053	8,187	-	26,756	282,694
Disposals	-	-	(16,294)	-	(22,574)	(22,146)	-	(12,293)	-	(4,576)	(77,883)
31 December 2007	1,808,216	3,016	42,501	59,482	84,347	147,046	45,256	100,383	3,647	55,439	2,349,333
Net book value 31 December 2007	6,950,599	45,464	44,031	950	51,188	158,924	15,790	47,579	-	105,669	7,420,194
31 December 2006	5,649,399	25,412	46,237	5,735	25,837	108,256	23,383	44,952	-	68,271	5,997,482

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

11 INVESTMENTS			2007 £	2006 £
Market value 1 January 2006			9,473,146	-
Additions at cost			3,497,000	9,000,746
Disposals at opening market value			(4,452,600)	-
Unrealised gains			491,002	472,400
			<u> </u>	<u> </u>
Market value 31 December 2007			9,008,548	9,473,146
			<u> </u>	<u> </u>
	Market value		Cost	
	2007	2006	2007	2006
	£	£	£	£
Listed Investments	9,008,548	9,473,146	8,497,000	9,000,746
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Investments are revalued at mid market value at the year end.

COMPANY

	2007 £	2006 £
Listed investments (as above)	9,008,548	9,473,146
Investment in subsidiary company	72,500	72,500
	<u> </u>	<u> </u>
	9,081,048	9,545,646
	<u> </u>	<u> </u>

The company owns 9,600 £1 ordinary shares in Zoo Park (Twycross) Limited being the whole of the issued share capital of that company. Zoo Park (Twycross) Limited is incorporated in, and operates in, the United Kingdom. Its principal activity is the provision of education, catering and leisure services.

The subsidiary company is to pay its profit for the year, amounting to £684,887, under gift aid to the parent company.

The subsidiary company's retained profit for the financial year is £Nil (2006: £Nil) and its capital and reserves at 31 December 2007 are £586,752 (2006: £586,752).

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

12	STOCKS	Group		Company	
		2007 £	2006 £	2007 £	2006 £
	Gift shop and guides	88,324	81,570	-	-
	Cafeteria stock	11,267	16,001	-	-
	Petrol and sundries	8,729	9,599	8,729	9,599
		<u>108,320</u>	<u>107,170</u>	<u>8,729</u>	<u>9,599</u>
		<u><u>108,320</u></u>	<u><u>107,170</u></u>	<u><u>8,729</u></u>	<u><u>9,599</u></u>
13	DEBTORS	Group		Company	
		2007 £	2006 £	2007 £	2006 £
	Amounts due from subsidiary company	-	-	433,939	236,153
	Other tax and social security	5,713	5,710	5,713	5,710
	Other debtors	35,301	32,679	35,301	32,679
	Prepayments and accrued income	70,282	62,253	211,214	61,398
		<u>111,296</u>	<u>100,642</u>	<u>686,167</u>	<u>335,940</u>
		<u><u>111,296</u></u>	<u><u>100,642</u></u>	<u><u>686,167</u></u>	<u><u>335,940</u></u>
14	CREDITORS: Amounts falling due within one year	Group		Company	
		2007 £	2006 £	2007 £	2006 £
	Trade creditors	152,596	381,725	141,248	367,093
	Other taxation and social security	48,264	80,371	58,599	39,537
	Accruals and deferred income	10,921	84,748	12,250	74,000
	Other creditors	6,737	15,189	6,604	15,056
		<u>218,518</u>	<u>562,033</u>	<u>218,701</u>	<u>495,686</u>
		<u><u>218,518</u></u>	<u><u>562,033</u></u>	<u><u>218,701</u></u>	<u><u>495,686</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

15	CREDITORS: Amounts falling due in more than one year	Group		Company	
		2007	2006	2007	2006
		£	£	£	£
	Debenture loan	70,000	70,000	70,000	70,000
		<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>

The 6% debentures, repayable on twelve months' notice, are secured by the assets of the company. The interest thereon amounts to £4,200 per year.

16 FUNDS

GROUP AND COMPANY

ENDOWMENT FUND	£
1 January 2007 and 31 December 2007	<u>100,000</u>

Value arising on the gift by Miss M W Badham and Miss S N Evans of jointly-owned freehold land and buildings. The capital fund is represented by tangible fixed assets.

UNRESTRICTED FUND	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Designated Funds				
1 January	9,027,722	8,000,000	9,027,722	8,000,000
Transfer from other unrestricted fund	105,211	1,027,722	105,211	1,027,722
	<u>9,132,933</u>	<u>9,027,722</u>	<u>9,132,933</u>	<u>9,027,722</u>
31 December	<u>9,132,933</u>	<u>9,027,722</u>	<u>9,132,933</u>	<u>9,027,722</u>

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£

The designated funds comprise:

Development and educational programmes	8,000,000	8,000,000	8,000,000	8,000,000
Conservation welfare	1,132,933	1,027,722	1,132,933	1,027,722
	<u>9,132,933</u>	<u>9,027,722</u>	<u>9,132,933</u>	<u>9,027,722</u>
31 December	<u>9,132,933</u>	<u>9,027,722</u>	<u>9,132,933</u>	<u>9,027,722</u>

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

16 FUNDS (continued)

The designated fund includes £8m to recognise funds required to meet future development and educational programmes.

The conservation welfare fund is to provide grants to wildlife conservation and/or welfare projects.

Unrestricted fund - Other	Group		Company	
	2007 £	2006 £	2007 £	2006 £
1 January	9,526,907	9,073,752	9,012,655	8,559,500
Retained net income for the year	774,039	1,008,477	774,039	1,008,477
Change in market value of listed investments	758,507	472,400	758,507	472,400
Transfer to designated fund	(105,211)	(1,027,722)	(105,211)	(1,027,722)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December	10,954,242	9,526,907	10,439,990	9,012,655
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted funds	Group		Company	
	2007 £	2006 £	2007 £	2006 £
1 January	11,000	-	11,000	-
Income in year	36,811	17,112	36,811	17,112
Expenditure in year	(15,701)	(6,112)	(15,701)	(6,112)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
31 December	32,110	11,000	32,110	11,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1 January 2007 £	Income £	Expenditure £	31 December 2007 £
Funds:				
Borneo Orang Survival project	11,000	12,000	(11,000)	12,000
EAZA 2007 Campaign	-	4,701	(4,701)	-
Molly Badham Chimpanzee Fund	-	20,110	-	20,110
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	11,000	36,811	15,701	32,110
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The restricted fund of £12,000 at 31 December 2007 relates to the Borneo Orang Survival project and is part of the Conservation Welfare fund. During the year, £11,000 was spent on this project.

£4,701 relates to the EAZA 2007 campaign.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

16 FUNDS (continued)

The Molly Badham Chimpanzee Fund – was created in the year in memory of the former president and founder member, Miss Molly Badham who died in October 2007; to be spent on specific chimpanzee projects and developments.

17 RECONCILIATION OF FUNDS	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Surplus for the year	795,149	1,019,477	795,149	1,019,477
Change in market value of listed investments	758,507	472,400	758,507	472,400
Opening funds	18,665,629	17,173,752	18,151,377	16,659,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing funds	<u>20,219,285</u>	<u>18,665,629</u>	<u>19,705,033</u>	<u>18,151,377</u>

18 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General Fund £	Designated fund £	Restricted funds £	Endowment fund £	Total £
Tangible fixed assets	7,320,194	-	-	100,000	7,420,194
Investments	8,548	9,000,000	-	-	9,008,548
Cash at bank and in hand	3,799,613	47,832	12,000	-	3,859,445
Other net current assets	1,098	-	-	-	1,098
Long term liabilities	(70,000)	-	-	-	(70,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>11,059,453</u>	<u>9,047,832</u>	<u>12,000</u>	<u>100,000</u>	<u>20,219,285</u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

19 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

GROUP AND COMPANY

FUTURE CAPITAL COMMITMENTS	2007 £	2006 £
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Contracted for, but not provided in the accounts	391,207	1,460,000
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OPERATING LEASE COMMITMENTS

At 31 December the Charity had commitments under non-cancellable operating leases as follows:

	2007 Plant and machinery £	2006 Plant and machinery £
Expiring within two to five years	12,712	6,305

20 NOTES TO CASH FLOW STATEMENT

20a RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating surplus	662,906	629,758
Depreciation	282,694	231,810
(Profit)/loss on sale of tangible fixed assets	(1,724)	374
Movement in stocks	(1,150)	(32,923)
Movement in debtors	(155,556)	36,550
Movement in creditors	(197,790)	471,588
Net cash inflow from operating activities	589,380	1,337,157

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

20 NOTES TO THE CASH FLOW STATEMENT (continued)

b	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2007 £	2006 £	
	Increase/(decrease) in cash being the movement in net funds in period	240,223	(8,377,584)	
	Net funds at 1 January	3,549,222	11,926,806	
		<hr/>	<hr/>	
	Net funds at 31 December	3,789,445	3,549,222	
		<hr/> <hr/>	<hr/> <hr/>	
c	ANALYSIS OF CHANGES IN NET FUNDS	1 January 2007 £	Cash flows 2007 £	31 December 2007 £
	Cash at bank and in hand	3,619,222	240,223	3,859,445
	Debt due after one year	(70,000)	-	(70,000)
		<hr/>	<hr/>	<hr/>
	Total	3,549,222	240,223	3,789,445
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

21 RELATED PARTY TRANSACTIONS

The company owns the whole of the issued share capital of Zoo Park (Twycross) Limited, ("Zoo Park").

As Zoo Park is a wholly owned subsidiary which is fully consolidated, it is exempt from the requirements of FRS 8, Related Party Disclosures, in respect of its transactions between itself and Twycross Zoo-East Midland Zoological Society Limited ("TZEMS").

Andrew Greenwood is a trustee of TZEMS, and a senior partner of the International Zoo Veterinary Group which also acts for the Charity. During the year, TZEMS paid the veterinary practice £69,665 (2006: £59,144) in respect of medical services.