

**South West Environmental Parks Limited**

**Consolidated Annual Report**

**Year Ended 31 October 2017**

## South West Environmental Parks Limited

### Company Information

Year Ended 31 October 2017

Incorporated in England on	21 February 1964
Company Registration No.	792877
Registered Charity No.	300923
Governing Document	Memorandum & Articles of Association
Directors	P R F Chanin MA, PhD (Chairman) R W J Ford (Vice Chairman) S Barr BA A C J Cooper BSc H T Elliot BA (Hons), FRZSS (Resigned 27 January 2017) S J Greinig BA R Hill BA (Hons), ACA S E Kings B K Mclaughlin J P Ravenscroft R A Rowe M S Salmon (Appointed 30 March 2017) P M C Stevens
Executive Director	S J Tonge BSc
Secretary	C J Pyne
Registered Office	Totnes Road, Paignton, Devon
Bankers	Lloyds Bank plc, Paignton, Devon
Solicitors	Wollen Michelmore LLP, Newton Abbot, Devon  Cripps Harries Hall, Tunbridge Wells, Kent  Foot Anstey LLP, Exeter, Devon
Auditors	PKF Francis Clark, Torquay, Devon
Pension Advisors	Arthur J Gallagher, Temple Way, Bristol
Insurance Advisors	Arthur J Gallagher, Exeter

# South West Environmental Parks Limited

Consolidated Annual Report

Year Ended 31 October 2017

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# South West Environmental Parks Limited

## Trustees' Report

Year Ended 31 October 2017

The Trustees submit their report and the audited financial statements for South West Environmental Parks Limited for the year ended 31 October 2017. The financial statements comply with the Charities Act 2011 and Companies Act 2006, the Memorandum and Articles of Association and have been prepared in accordance with the requirements of the Statement of Recommended Practice on accounting and reporting for charities (FRS 102) effective 1<sup>st</sup> January 2015.

## Strategic Report

### Strategic Aims & Objectives

#### Vision

A world rich in wildlife and wild places

#### Mission

South West Environmental Parks Limited is an education, scientific and conservation charity dedicated to protecting our global wildlife heritage and inspiring in people a respect for animals, plants and the environment.

#### Strategic Aims

In order to achieve its mission the Charity has set out four main Strategic aims:

1. **Education and engagement** of the public on the conservation of the natural world.
  - To enable all audiences to understand why biodiversity matters
  - To improve visitor understanding of the role of zoos in conservation
  - To motivate and empower the public to take action to conserve biodiversity
  
2. ***In situ*** conservation of species and habitats.
  - To operate field conservation projects in the UK and overseas
  - To support field conservation projects operated by other appropriate organisations
  - To ensure all field projects are fully integrated with ex situ activities of the WWCT zoos including collection planning, exhibit design, education, retail and marketing
  - To set aside a proportion of annual income exclusively for operating or supporting field conservation projects in line with WZACS recommendations
  
3. ***Ex situ*** conservation of threatened species
  - To increase the conservation value, impact, and relevance of the Living Collection
  - To increase the linkages between in situ conservation and the Living Collection
  - To carry out appropriate research on the Living Collection leading to conservation benefits

## South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

4. **Conservation advocacy:** shaping behaviour-change for the benefit of biodiversity.

- To be a credible voice in advocacy for biodiversity conservation
- To influence policy change at local, national and international levels
- To promote ethical practice in all areas of our work
- To empower staff to become advocates for conservation
- To use the living collections to promote the history and current work of the Whitley Wildlife Conservation Trust and its subsidiary companies

### Public Benefit

In setting objectives and planning activities for the year the trustees have given careful consideration to ensuring that the charity's activities are to the public benefit, and they have had regard to the Charity Commission's guidance on public benefit. Accordingly, the activities at both zoos during the last year were for the public benefit and were in accordance with the objects of the charity. They are:

- To advance scientific knowledge of plants, animals and the natural world.
- To advance the education of students and the public on the conservation of the physical and natural world and the promotion of biodiversity.
- To promote the conservation of the physical and natural environment and the maintenance of biological diversity.

In fulfilling its objectives the charity is dedicated to conserving our global wildlife heritage and inspiring in its many visitors a life-long respect for animals and the environment. The charity achieves this by:

- Keeping and breeding animals and propagating plants that are under threat or no longer exist in the wild.
- Offering all visitors an exciting and informative wildlife experience.
- Providing a resource for educational purposes, both within and outside the zoos.
- Contributing to conservation of wildlife and the natural environment both within the zoos and beyond.
- Promoting sustainability of local and global communities and their environment and managing the zoos to a plan to support these ideals.

## South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

### Achievements and Performance in 2017

#### Key Performance indicators 2016-17

	2015/16 Actual	2016/17 Target	2016/17 Actual	Variance to previous year	Variance to target
Paignton Zoo Total Visitors	474,638	446,907	465,103	-2.0%	4.1%
Paignton Zoo Paying Visitors	297,494	289,400	283,993	-4.5%	-1.9%
Paignton Zoo Education sessions	38,908	37,550	35,609	-8.5%	-5.2%
Paignton Zoo Admissions income	£3,960,891	£4,022,469	£4,055,051	2.4%	0.8%
Paignton Zoo Gift Aid %	42.40%	42.20%	38.5%	-9.2%	-8.8%
Paignton Zoo Contribution from trading	£604,923	£571,793	£398,122	-34.2%	-30.4%
Newquay Zoo Total Visitors	158,643	158,600	156,735	-1.2%	-1.2%
Newquay Zoo Paying Visitors	117,876	117,800	115,336	-2.2%	-2.1%
Newquay Zoo Education Sessions	6,186	7,550	5,427	-12.3%	-28.1%
Newquay Zoo Admissions income	£1,274,109	£1,372,412	£1,322,051	3.8%	-3.7%
Newquay Zoo Gift Aid %	54.90%	55.30%	51.5%	-6.2%	-6.9%
Newquay Zoo Contribution from trading	£155,867	£206,666	£128,927	-17.3%	-37.6%
Living Coasts Total Visitors	137,210	127,501	135,769	-1.1%	6.5%
Living Coasts Paying Visitors	81,685	80,126	79,277	-2.9%	-1.1%
Living Coasts Education Sessions	6,879	6,000	6,385	-7.2%	6.4%
Living Coasts Admissions income	£652,993	£657,096	£625,573	-4.2%	-4.8%
Living Coasts Gift Aid %	42.80%	43%	44.3%	3.5%	3.0%
Living Coasts Contribution from trading	£30,631	£47,749	-£3,560	-111.6%	-107.5%

## **South West Environmental Parks Limited**

Trustees' Report (continued)

Year Ended 31 October 2017

### **In situ Conservation**

In 2017, we achieved our strategic aspiration of basic infrastructure and core staff in all our regional programmes with the launch of the Uzungwa Scarp Protection Project in Tanzania. The Uzungwa Scarp Nature Forest Reserve is critically important to the survival of several primate and amphibian species only found in the Udzungwa Mountains but has received minimal protection until recently. Together with partner organisations, we funded a Tanzanian coordinator, signed an agreement with the government and trained reserve staff and community representatives in GPS and patrol mapping. WWCT-funded patrols started late in the year and had immediate results, including the arrest of several poachers and illegal loggers.

Our programme to conserve the Sulawesi crested black macaque in Indonesia received a massive boost to its finances and capacity with the launch of the UNDP-funded 'Enhancing the Protected Area System in Sulawesi' project. This project fulfils a suite of long-term objectives for us including a range-wide survey for the species, developing responsible ecotourism guidelines, incorporating conservation in the region's school curriculum, and trialling sustainable livelihood schemes with local communities. Despite this boost, support from SWEPL and the wider WWCT group remains critical for providing direction and meeting the core operating costs of the Selamatkan Yaki Foundation.

In Vietnam we assisted the WWCT in funding a managerial position at Save Vietnam's Wildlife to increase their capacity to breed threatened species and rescue animals from the illegal wildlife trade, including over 400 pangolins in 2017. In a separate regional initiative, we sent staff to Vietnam and hosted meetings at Paignton Zoo in anticipation of contributing to the proposed reintroduction of Edwards's pheasant, a species believed to be extinct in the wild.

In the UK, habitat restoration resulted in the largest ever count of strapwort, a critically endangered plant in the UK, at Slapton Ley National Nature Reserve. SWEPL staff also contributed to monitoring some of the most threatened species in the south west including the last populations of white-clawed crayfish in Devon and the only population of narrow-headed ants in England.

Living Coasts had planned to support for a third year an in situ project in South Africa – in collaboration with SANCCOB. This project is taking a different direction due to the discussion around an action plan for this species as part of a multidisciplinary approach in South Africa. We have therefore decided that we will investigate alternative projects that we might wish to support in future.

The CSI seagrass project ran in to its third and final year much supported by Living Coasts as one of the partners. The project was promoted at Living Coasts through an interactive display, school workshops and events for the visitors such as ROV activities on the terrace. The Living Coasts site is also used for volunteer training and workshops to enable the sea grass dive surveys to be successful. Living Coasts' staff alongside the CSI project officer took part in the first year of sea grass propagation research – which was successful and will continue next year.

### **Conservation Advocacy**

In 2016/17 our advocacy work continued to gather pace. The decision to stop selling single use plastic bottles in our catering outlets was a key step in demonstrating our commitment to tackling wider environmental issues and has helped shape our advocacy message and plans. An Advocacy group, comprising staff from several departments has been convened and now meets on a regular basis to provide a forum for evaluation of current practice and develop new ideas going forwards.

## **South West Environmental Parks Limited**

Trustees' Report (continued)

Year Ended 31 October 2017

Talks on the Wildside continue and provide an important outlet for conveying news and updates to staff. This year also saw a combined approach to revitalising staff inductions and the development of Guest Experience workshops to all staff. These will be delivered in 2017/18 (and thereafter) and will include key advocacy information as a means of ensuring maximum understanding and 'buy in' from staff in all areas of the organisation.

Living Coasts has delivered advocacy messages for the palm oil policy.

The education team follow a conservation advocacy plan as agreed by the advocacy Officer.

Living Coasts participates in the advocacy group which works on policies and implementation of policies.

Living Coasts has been instrumental in setting up Torbay Cleaner Coasts Initiative – which advocates for

- Removing marine litter from the sea and coastline.
- Raising awareness, supporting and promoting engagement within local marine & coastal user communities to reduce marine litter.
- Promoting environmentally friendly & sustainable practices, including disposal and recycling alternatives, through community information and education opportunities.

### **Ex Situ Conservation**

Review of the recently finalised Collection Plan shows that we have made good progress towards changing the collection to align better with our own mission and the goals of the European collaborative breeding programmes. Across the three sites we currently manage 13 breeding programmes and participate in over 100 in total. Recent arrivals have included many rare South East Asian bird species which we hope to breed in the new Gems of the Jungle exhibit at Newquay Zoo and the electric blue day gecko for which we are now the studbook holder.

The research team continued to support evidenced-based practice to the Living Collections and other directorates. In 2016/17 key projects included developing intensive management protocols for Edwards's pheasant, UV provision for primates, behaviour and welfare of rays and provision of optimal nesting sites for solitary bees. The team are also focusing on the implementation of a welfare audit system for all three sites.

In 2016/17 the charity took part in breeding programmes for the African Penguin, Inca tern, blue spotted and ribbon tail rays, four eyed fish and Macaroni Penguins through its Living Coasts subsidiary to ensure self-sustaining populations within EAZA and maintained in house populations where possible.

In order to achieve its charitable objectives the charity planned to make the animal and plant collections available for scientific research by our own staff, those of the closely linked charity WWCT and university students and staff. To continue to maximize the scientific use of the collection by carrying out a programme of high quality, ex situ, non-invasive research relevant to the husbandry of the animals in the collection and the conservation of coastal wildlife in general.



## **South West Environmental Parks Limited**

Trustees' Report (continued)

Year Ended 31 October 2017

### **Education and Engagement**

2016/17 saw significant staffing changes within the Education Department. The formal aspects of provision continue to be somewhat challenging as schools struggle with funding cuts and increases in coach transport costs. The department has been proactive in ensuring that all of its school workshops are curriculum linked and that we continue to provide unique experiences and fantastic value for children and teachers. Our school residential packages were also very well received although numbers have declined slightly, again due to rising costs. Residential packages for HE students have also been reinvigorated, again with great success and glowing feedback.

Extensive groundwork has taken place regarding our informal provision and we are developing an overarching interpretive plan that clearly outlines our key messages for our guests. We continue to enhance the range of opportunities for guests to interact face-to-face with staff and our presenters and education assistants were out in force over the peak periods, receiving fantastic feedback at all 3 sites. This coming year will see the implementation of a cross site signage replacement project and work has begun on developing content and styling which will fundamentally change the way in which we interpret and explain our work to guests. This will run alongside development of our online resources to ensure that our digital audiences are also catered for.

The horticultural team were actively involved in the EAZA Let it Grow and BIAZA Grab a Gap campaigns creating pollinator and other local wildlife-friendly plantings around the sites. The opening of the Gems of the Jungle exhibit at Newquay Zoo has allowed us to engage our guests with one of the world's biggest conservation crises, that of South East Asian songbirds and is now central to our contribution to the current EAZA conservation campaign the Silent Forest.

A classroom was added to the Living Coasts site. This will enable us to deliver educational content in a classroom setting which is something that schools have been asking for. The intention is that this will lead to an increase in the use of the site by school groups.

We will continue to make the animal and plant collections available for scientific research by our own staff, those of the closely linked charity WWCT and university students and staff. We will continue to maximize the scientific use of the collection by carrying out a programme of high quality, ex situ, non-invasive research relevant to the husbandry of the animals in the collection and the conservation of coastal wildlife in general.

In order to achieve its charitable objectives the charity planned to sustain its levels of education work and seek to grow the number of students taught during the financial year.

The charity's educational department provided formal and informal teaching to 47,421 students across the three sites, which was a 9.6% decrease on the previous year. This reflects an ongoing decline in take up of formal education sessions because of increasing transport costs and pressures on school budgets.

In order to achieve its charitable objectives the charity planned to attract 733,008 visitors.

The charity had 757,607 visits during the year. This was a 1.7 % decrease on the previous year, which reflects lower visitation over the summer related to the wider economic situation. While the visits are opportunities for the general public to enjoy a day out in interesting surroundings, the charity aims to communicate important and serious messages regarding conservation of endangered species and the destruction of their natural environments. Exit surveys continue to indicate that it was successful in achieving this aim and in addition, the majority of the public who visit enjoy the experience.

Living Coasts had a successful year for breeding African penguins, Avocets, Inca terns, four eyed fish and two species of blue spotted rays. The success of breeding and sending these animals to other collections helps in the overall success of these species in Zoos in the UK and Europe.

A new member of staff joined as a bird keeper at Living Coasts bringing seven years' experience and new ideas to the team; in addition, a new member of staff with a breadth of experience has joined the keeping team part time and in addition carries out the registrar role to bring her role up to a full time position.

## **South West Environmental Parks Limited**

Trustees' Report (continued)

Year Ended 31 October 2017

Changes were made to the animal care building quarantine and aquarium quarantine providing better facilities. The aquarium quarantine works will continue. Improvements were made in air handling and temperature control on the site.

Works on the skimmer and addition of holding tanks for the water intake systems at Living Coasts were completed as planned to improve the health & welfare of the animals. Improvements were made to penguin beach, which will continue next year by adding waterfalls for enrichment to improve enclosure upkeep and to facilitate the introduction of new species where appropriate.

It is evident that spending on improvements and updating of the plant at Living Coasts will be a key financial factor for the next few years. Changes to the plant and systems need to link in with any future developments.

Living Coasts also supports scientific research on site – links with animal husbandry and enrichment and the sea grass project have been a focus this year.

The Charity is fortunate to have a number of volunteers that assist it in its work in a wide range of activities. In 2017, there were 225 volunteers actively involved across the three sites. Without the dedication, skill and enthusiasm of the volunteers and staff much of what has been achieved would not have been possible and the Trustees are grateful for their continued support and dedication.

### **Financial Review**

The 2016/17 financial year split into two distinct halves. From November to the end of April, visitor numbers were up on the previous year however, from May onwards visitor numbers were disappointing. This was a trend seen at all the major zoos nationally and at local tourist attractions. As a result, visitor numbers were down from 770,491 in 2015/16 to 757,607 in 2016/17.

The fall in visitor numbers is attributed to underlying economic conditions combined with the uncertainty over Britain's withdrawal from the European Union and the general election held in June 2017.

As a result of the fall in visitor numbers income was broadly in line with 2015/16 however costs continued to rise, particularly wages where the increase in the National Living Wage was a significant factor. The trading company also struggled in 2016/17 resulting in the contribution from trading being £267,931 less than in 2015/16. Consequently the group surplus for the year of £423,472 was below the target of £618,715 and substantially below the £1,207,407 achieved in 2015/16.

# South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

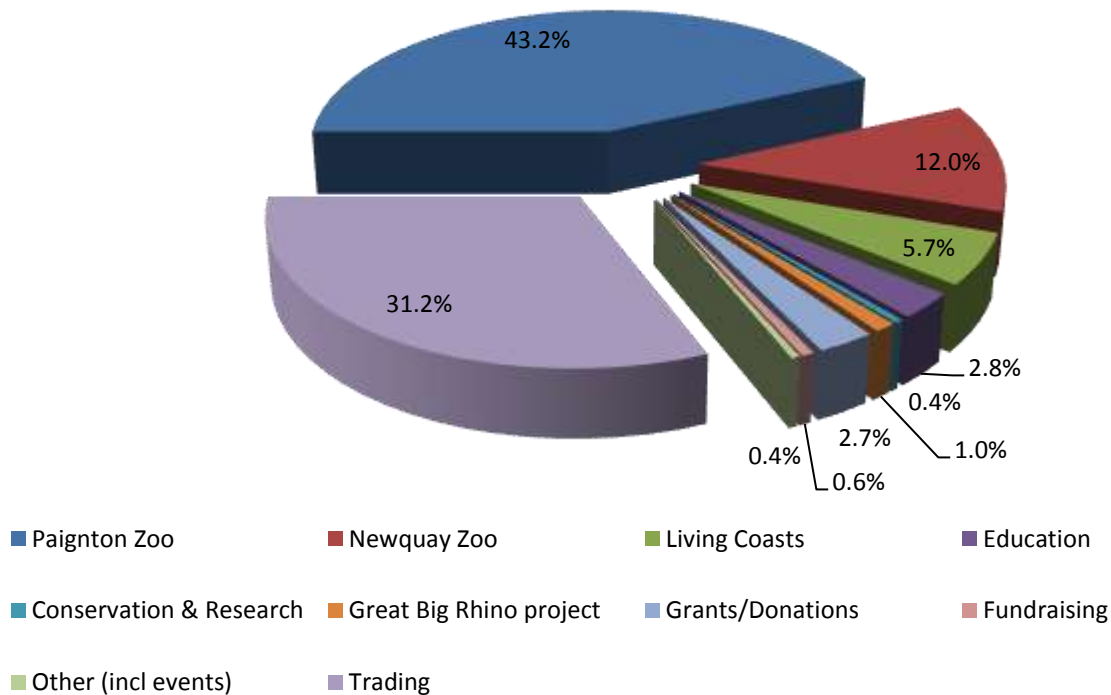
## Incoming Resources

The income to the charity has come from a mixture of sources, including admission charges, grants, donations including donated profits from its trading subsidiary, legacies and gifts, subscriptions and adoptions and investment interest. The funds have been applied to education, scientific research, wildlife conservation, to continuing the redevelopment programme, and to the running of Paignton and Newquay Zoos and Living Coasts.

Income rose by 0.46% on the previous year, despite reduced sales in catering and retail, mainly due to an increase in ticket prices. Total income was £12,750,554 up from £12,692,405 in 2015/16

The breakdown of income in 2017 is shown in the following chart.

### SWEPL Group Income



# South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

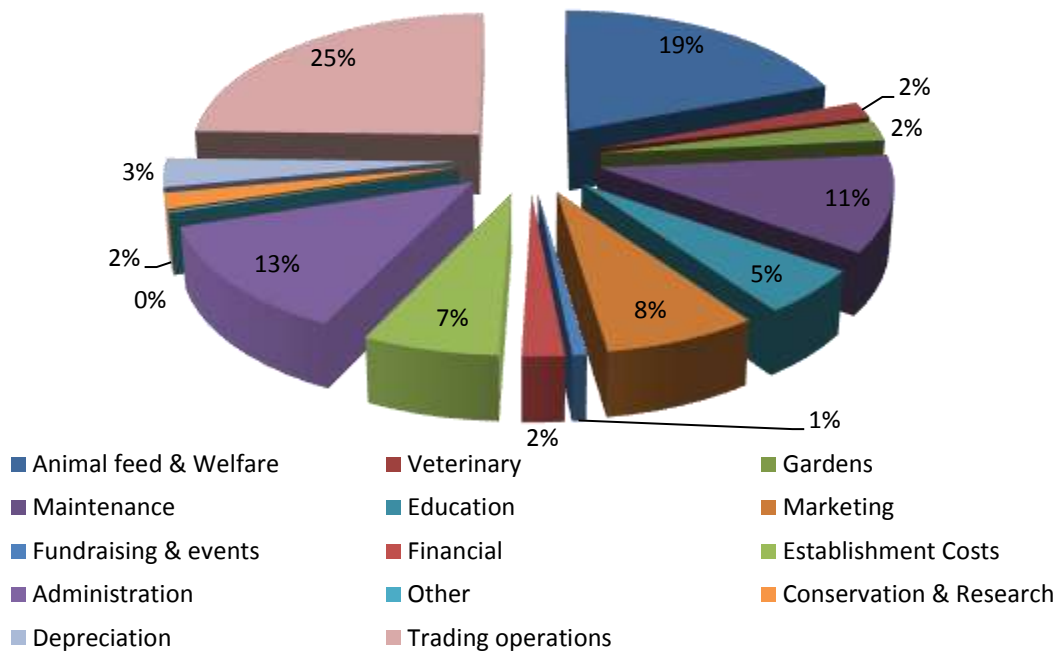
## Resources expended

In 2016/17 we spent £12,327,082, excluding capital expenditure, up 7.3% on the previous year.

Wage costs represent the biggest single cost to the group and in 2017 the average monthly headcount was 359 staff, equivalent to 266 full-time posts. Wages accounted for 51.4% of the total expenditure, up from 50.3% the previous year as a result of the higher than inflation wage increases caused by the rise in the National Living Wage.

A breakdown of expenditure in 2016/17 is shown in the following chart.

## SWEPL Group Expenditure



## Capital Expenditure

We continue to invest in our sites and in 2016/17 spent £264,050 on capital expenditure. This included £3,333 of computer software that we now show as intangible in line with the Charities SORP (FRS 102).

At Paignton and Newquay Zoo no major building works were carried out as we prepare for the Into Africa exhibit at Paignton Zoo. Smaller items of expenditure included replacing boilers in the ape house (£27,400), procuring an ultrasound machine for the vets (£15,000) and replacing two of the company cars (£28,090). At Living Coasts we invested £53,900 in the ongoing net replacement program, £47,488 was spent on upgrading the decking and facilities in the 'Jetty' area, including replacing the catering outlet and a further £7,081 was spent creating a classroom.

## **South West Environmental Parks Limited**

Trustees' Report (continued)

Year Ended 31 October 2017

### **Borrowing, investments & reserves**

It is the general policy of South West Environmental Parks Ltd (SWEPL) and its subsidiary charity, Living Coasts, to apply towards their charitable objectives as much cash as it reasonably can, to avoid accumulating excessive reserves. Where considered appropriate and being mindful not to overcommit the Charity, borrowings may be used to fund elements of significant capital projects

In setting its reserves policy the Charity takes account of its continuing financial commitments in terms of staffing and overheads including the costs of maintaining the animal and plant collections and funding its charitable activities. The Charity also considers the risk that its income for any particular year may be impacted by a number of factors outside of its control such as periods of prolonged wet weather at peak visitor times, varying levels of economic prosperity and employment, alongside the potential for closure of the zoo to visitors due to the outbreak of contagious disease.

Having considered these factors, SWEPL maintains minimum available cash reserves of £1m at all times. Such reserves would be sufficient for SWEPL and its subsidiary companies to operate without significant curtailment of their activities for a period of up to six weeks. Similarly, the Trustees consider that unrestricted reserves at the end of any financial year not exceeding 100% of the total resources expended during the year could properly be regarded as both reasonable and justified.

At the end of the 2016/17 financial year SWEPL had loans outstanding of £377,604, which will be repaid by the end of 2018. The SWEPL group held £5.27m of cash including cash held to cover the annual trading cycle, the £1m reserves discussed above and funds earmarked for the Savannah development at Paignton Zoo.

### **Restricted Funds**

Restricted income funds derive from donations, grants and legacies received and are put towards a variety of capital projects and outreach activities. Unrestricted income funds may be designated or freely available for the Charity's general charitable purpose.

After setting aside restricted income funds the balance of the Charity's available funds at the balance sheet date are designated as follows:

- assets held for charitable use, up to a maximum of the net book value of those fixed assets at the balance sheet date, then

If, after designating unrestricted funds as above, there are funds remaining, these are treated as unrestricted free reserves. Whilst these funds have been earmarked by the Trustees for particular purposes or uses, they are not committed or restricted legally.

At 31 October 2017 the SWEPL group had total funds employed of £9.8m of which £2.3m were restricted. Of the unrestricted funds £3.9m were tied to fixed assets and the balance of £3.6m were considered to be free reserves.

### **Plans for Future Periods**

The charity has been developing plans for a redevelopment of the Savannah area at Paignton Zoo and planning permission was granted towards the end of 2017. In 2017/18 we aim to break ground on the project which it is anticipated will take two years to complete.

In the medium term the charity is developing plans to substantially increase our overseas conservation activities along with capital projects at both Newquay Zoo and Living Coasts. At Newquay we are looking to redevelop the front of the site, providing improved catering, retail and guest services facilities.

## South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

The Main Key Performance Indicators we have set for 2017/18 are shown in the table below:

### Key Performance indicators 2017-18

	<b>2015/16 Actual</b>	<b>2016/17 Actual</b>	<b>2017/18 target</b>
Paignton Zoo Total Visitors	474,638	465,103	492,045
Paignton Zoo Paying Visitors	297,494	283,993	300,650
Paignton Zoo Education sessions	38,908	35,609	39,265
Paignton Zoo Admissions income	£3,960,891	£4,055,051	£4,356,201
Paignton Zoo Gift Aid %	42.4%	38.5%	45%
Paignton Zoo Contribution from trading	£604,923	£398,122	£611,488
Newquay Zoo Total Visitors	158,643	156,735	162,800
Newquay Zoo Paying Visitors	117,876	115,336	119,350
Newquay Zoo Education Sessions	6,186	5,427	7,550
Newquay Zoo Admissions income	£1,274,109	£1,322,051	£1,466,582
Newquay Zoo Gift Aid %	54.9%	51.5%	58%
Newquay Zoo Contribution from trading	£155,867	£128,927	£197,724
Living Coasts Total Visitors	137,210	135,769	132,000
Living Coasts Paying Visitors	81,685	79,277	81,900
Living Coasts Education Sessions	6,879	6,385	6,000
Living Coasts Admissions income	652,993	£625,573	£754,266
Living Coasts Gift Aid %	42.8%	44.3%	45%
Living Coasts Contribution from trading	£30,631	<b>-£3,560</b>	£46,576

## South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

<b>Strategic Aim</b>	<b>Objective</b>	<b>Actions</b>	<b>Outcome</b>	<b>Completion</b>
<b>Education &amp; Engagement</b>	Research the effects of a visit on visitors' knowledge, attitude and behaviour	Conduct research into the potential of zoos to effect behaviour change	Data collection completed	Dec 2017
<b>Education &amp; Engagement</b>	Develop educational use of existing exhibits	Continue research into the learning potential of Croc Swamp	Education team/voluntary worker	Jul 2018
<b>Education &amp; Engagement</b>	Review procurement and style of uniform	Uniform Working Group in place with clear terms of reference	Write new dress code policy to match the new uniform standard	New uniform in place by May 2018
<b>Education &amp; Engagement</b>	Develop plans for future developments	Business case to be developed for new entrance at Newquay along with plans for improvements to guest experience at Living Coasts	Plans available for trustees to consider.	March 2018
<b>Education &amp; Engagement</b>	Brand development and alignment	Brands to be developed, agreed by Trustees and Implemented	New brands for all sites and trust in place	30 <sup>th</sup> September 2018
<b>Education &amp; Engagement</b>	Consistent signage at PZ & NZ	All signage to be reviewed and replaced where necessary in line with new brands	Fully consistent signage at PZ & NZ	30 <sup>th</sup> September 2018
<b>Advocacy</b>	Continue to communicate to all staff about our programmes	Attend monthly meetings, present to SMT and key staff.	All staff aware of our programmes and what they need to do	Mar 2018
<b>In situ conservation</b>	Ensure continuity of core functions in all regional programmes	Complete annual evaluation of all projects	All regions reviewed	March 2018
<b>In situ conservation</b>	Ensure In situ projects consistently managed	Introduce new operational plan format for all regional programmes inc funding agreements with major partners	Clear actions plans for all regions	June 2018
<b>In situ conservation</b>	Establish the Uzungwa Scarp Project	Recruit local staff member and work with partners to determine priority tasks	Staff member in place and working effectively	Dec 2017
<b>In situ conservation</b>	Decide on future projects for Living Coasts	Identify new penguin project and investigate potential mangrove project in Sulawesi	Clear action plan for penguin focused projects	June 2018
<b>In situ conservation</b>	Continue effective management of UK Reserves	Ensure establishment of community orchard in Primley, assume responsibility for monitoring of shingle ridge vegetation at Slapton, align plans for zoo on-site biodiversity with reserve management plans, continue strapwort recovery etc.	Clear plan for further developments produced for 2018 budget planning	Jul 2018
<b>Ex situ Conservation</b>	Research into priority husbandry issues	Research on nutrition at LC and NZ, avian intensive management protocols, visitor experiences, UV light	Project reports written and results presented to other departments. Presentations at BIAZA Research Conference and journal publications	Aug 2018

# South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

## Principal Risks and Uncertainties

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems and procedures have been established to manage those risks. Further details of these systems and procedures are given below.

## Risk Management

The trustees have in place ongoing measures to assess business risks and implement risk management strategies. These involve identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. Principal risks are identified, assessed and monitored by:

- A Risk Analysis & Mitigation plan.
- Regular meetings of the Risk Management and Audit Sub Committee and discussion at full board management meetings of identified risk and associated management strategies.
- Internal financial controls that meet with guidelines issued by the Charity Commission.
- An annual Business Plan showing anticipated numbers of visitors, marketing strategy, maintenance and development of the charity's assets.
- An annual Revenue Budget showing intended income, expenditure and surplus.
- An annual list of intended capital, revenue and other funded additions to the charity's assets.
- A departmental assessment of risks to employees and the public.
- Annual review to ensure adequate insurance cover.
- A Business Continuity Management System which aims to ensure that the charity can continue to deliver a minimum level of service in the event of any disruption.

The Trustees maintain a register of risks which is regularly reviewed and updated. The Risk Management & Audit Sub Committee conducts a formal review of the register and the principal risks identified on a six monthly basis and subsequently reports its findings and recommendations to the full Board of Trustees.

At the last review in February 2018 the register identified 47 main risks and the control measures that the organisation has in place to manage them. With the control measures that are in place the organisation does not consider that any of the risks represent a significant threat to the organisation although the long term impact of climate change remains the primary risk to future viability of operations.

The top five risks identified are as follows.

1. Impact of climate change, particularly at Living Coasts where sea level rises and increased storms may threaten the fabric of the site.
2. Rising Energy Costs putting pressure on budgets and our ability to maintain exhibits with high energy consumption e.g. Crocodile Swamp at Paignton Zoo.
3. Adverse weather events impacting on visitor numbers as happened in April-July 2012 and winter 2013.
4. Economic conditions affecting visitor numbers. As demonstrated in the recession following the banking crisis in 2008 visitor numbers to attractions can be impacted heavily by a downturn in the economy.
5. Loss of life or serious injury to a member of staff, volunteer or guest.



## South West Environmental Parks Limited

Trustees' Report (continued)

Year Ended 31 October 2017

The Principal Uncertainties facing the organisation at present are

1. The impact of Brexit. This poses two main causes of uncertainty:-
  - a. The potential for legislative changes. Of particular concern are the possibility of changes that would weaken protections or anything that would make the movement of animals in and out of the Country more difficult.
  - b. The impact of a weak sterling on some of our overseas conservation projects together with the rising costs of imports that this causes.
2. The impact of a rising National Living Wage and the difficulties in planning for this given the uncertainty over the size of the annual increases.

While there is a requirement for continual review and assessment, the trustees consider that the procedures that are in place for risk identification and management are adequate and that actions have been taken to keep risks to an acceptable level.

### Financial Risk Management

Historically the charity's capital projects have been funded from retained profits with some long-term finance being provided by bank loans (details of which are given in note 19 to the financial statements). The current policy of the charity is to repay these loans and to fund any new developments from retained profits.

Seasonal working capital requirements are met from cash reserves and the Charity also carries various insurances against risks which might pose significant threat to the business, such as fire, theft etc.

### Key Staff & Remuneration

The Trustees consider that the Board of Trustees, who are the Charity's directors, the Executive Director Mr S Tonge and the Senior Management Team comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year.

The Senior Management Team comprises:

Executive Director	Mr S Tonge
Director of Finance & HR	Mr C Pyne
Director of Marketing & Development	Ms P Craddock
Director of Conservation & Education	Ms A Plowman
Director of Living Collections	Mr S Muir
Director of Guest Services	Ms H Warren

The Trustees determine and agree the overall policy for the remuneration and pension arrangements for all the charity's employees and oversee any major changes to employee benefits. The Charity operates an Equal Pay policy and operates a job evaluation system to ensure that remuneration is fair for all employees. The Charity aims to provide a reward package that is comparative within the sector it operates in although exceptions are permitted where there are justifiable reasons, usually in specific areas of the labour market where skilled workers are in short supply.

The Charity recognises that it should not and does not compete directly with the private sector in terms of remuneration but aspires to provide an overall reward package that is competitive enough to attract and retain high calibre staff who wish to be part of the Charity's work.

The Remuneration of the Senior Management Team is reviewed annually and they normally receive an inflationary increase in line with other employees. The remuneration of the Executive Director and the Director of Finance & HR is reviewed annually by the Trustees following a review of the previous year's performance in a separate process. Regular benchmarking is also undertaken against similar positions within the sector.

## **South West Environmental Parks Limited**

Trustees' Report (continued)

Year Ended 31 October 2017

### **Structure, Governance and Management**

South West Environmental Parks Limited operates Paignton Zoo Environmental Park and Newquay Zoo Environmental Park and uses these names when appropriate.

The charity is owned by The Whitley Wildlife Conservation Trust, a charity (number 30662) that has similar objectives and the same trustees. It has two subsidiaries, Living Coasts, a charity (number 1099076), which operates the Living Coasts exhibit in Torquay and South West Zoo Enterprises Limited, a company (number 02494361), which deals with trading activities at Paignton and Newquay zoos and at Living Coasts.

The charity (Number 300923) is a limited company (Number 792877), incorporated 21 February 1964 and governed by its memorandum and articles of association. The charity is run by a board of trustees, who are also directors for the purposes of the Companies Act and who are named at the front of this report.

In accordance with the governing document, trustees are appointed to the Board by a majority vote of the existing trustees.

A skills audit of the existing Board is maintained with a target list of expertise and experience; it provides the criteria for future appointments. A recruitment procedure is in place to ensure that any nominees have the expertise and experience that will enhance and benefit the Board and its objectives. New trustees are elected to the Board by a vote of the existing trustees.

Training of trustees is reviewed against individual training needs and a full introduction and induction to the charity is given to new trustees upon appointment.

The Board meets approximately ten times a year to review strategy and performance and a number of sub-committees also meet on a regular basis to focus on specific areas. Whilst the trustees are responsible for strategy and policy issues, the day-to-day administration and management of the charity is delegated to an executive director, who reports regularly to the Board. He is assisted by five directors who are responsible for the proper functioning of both zoos.

By Order of the Board

**C J Pyne**  
Company Secretary  
29 March 2018

## South West Environmental Parks Limited

### Statement of Trustees' Responsibilities

Year Ended 31 October 2017

The trustees (who are also directors of South West Environmental Parks Limited for the purposes of company law) are responsible for preparing the Trustees' 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 trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the profit or loss of the group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# South West Environmental Parks Limited

Independent Auditors' Report to the Members of South West Environmental Parks Limited

Year Ended 31 October 2017

## Opinion

We have audited the financial statements of South West Environmental Parks Limited for the year ended 31 October 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the charitable company and group as at 31 October 2017 and of the income and expenditure of the group for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## 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.

## **South West Environmental Parks Limited**

Independent Auditors' Report to the Members of South West Environmental Parks Limited (continued)

Year Ended 31 October 2017

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (incorporating the strategic report and the directors' report).

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

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

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement (set out on page 16), the trustees 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 they 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our 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.

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

**MARTIN HOBBS BSc ACA** (Senior Statutory Auditor)

**PKF FRANCIS CLARK**

Statutory Auditor  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
TQ2 7FF

9 April 2018

## South West Environmental Parks Limited

### Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account)

Year Ended 31 October 2017

		Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	Note	£	£	£	£
<b>Income from:</b>					
Donations and legacies	3	341,196	-	<b>341,196</b>	391,483
Charitable activities:	4				
Operation of the parks		7,773,233	-	<b>7,773,233</b>	7,533,735
Education		355,576	-	<b>355,576</b>	415,413
Conservation		47,083	-	<b>47,083</b>	38,699
Great Big Rhino Sponsorship		125,599	-	<b>125,599</b>	135,575
Other trading activities	5	4,077,685	-	<b>4,077,685</b>	4,135,523
Investments	6	13,437	-	<b>13,437</b>	19,860
Other		16,745	-	<b>16,745</b>	22,117
<b>Total income</b>		<u>12,750,554</u>	<u>-</u>	<u><b>12,750,554</b></u>	<u>12,692,405</u>
<b>Expenditure on:</b>					
Raising funds	7	3,111,970	-	<b>3,111,970</b>	2,918,169
Charitable activities:	8				
Operation of the parks		8,271,032	52,668	<b>8,323,700</b>	7,614,321
Education		663,798	-	<b>663,798</b>	752,049
Conservation		227,614	-	<b>227,614</b>	200,459
<b>Total expenditure</b>		<u>12,274,414</u>	<u>52,668</u>	<u><b>12,327,082</b></u>	<u>11,484,998</u>
<b>Net income (expenditure) and net movement in funds</b>		476,140	(52,668)	<b>423,472</b>	1,207,407
<b>Reconciliation of funds</b>					
Total funds brought forward		7,094,411	2,331,908	<b>9,426,319</b>	8,218,912
<b>Total funds carried forward</b>	23	<u><u>7,570,551</u></u>	<u><u>2,279,240</u></u>	<u><u><b>9,849,791</b></u></u>	<u><u>9,426,319</u></u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The surplus for the year for Companies Act purposes is equivalent to the net movement in funds.

The Statement of Financial Activities for the year ended 31 October 2016 included restricted income of £nil and restricted expenditure of £54,688, as shown in note 8.

The notes on pages 23 to 35 form part of these financial statements.

# South West Environmental Parks Limited

## Consolidated Balance Sheet

31 October 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	13	212,093	272,092
Tangible assets	14	5,331,143	5,443,200
		<u>5,543,236</u>	<u>5,715,292</u>
<b>Current assets</b>			
Stocks	16	335,769	402,315
Debtors and prepayments	17	517,832	367,820
Cash at bank and in hand		5,266,703	5,013,719
		<u>6,120,304</u>	<u>5,783,854</u>
<b>Creditors - Amounts falling due within one year</b>	18	<u>(1,749,601)</u>	<u>(1,695,225)</u>
<b>Net current assets</b>		<u>4,370,703</u>	<u>4,088,629</u>
<b>Total assets less current liabilities</b>		<u>9,913,939</u>	<u>9,803,921</u>
<b>Creditors - Amounts falling due after more than one year</b>	19	<u>(64,148)</u>	<u>(377,602)</u>
<b>Net assets</b>		<u>9,849,791</u>	<u>9,426,319</u>
<b>Capital, reserves and funds</b>			
Called up share capital	21	10,000	10,000
Share premium account	22	23,638	23,638
Unrestricted funds - General		7,536,913	7,060,773
		<u>7,570,551</u>	<u>7,094,411</u>
General funds	23	2,279,240	2,331,908
Restricted funds	23		
		<u>9,849,791</u>	<u>9,426,319</u>

These financial statements were approved by the directors and authorised for issue on 29 March 2018 and are signed on their behalf by

**P R F Chanin**

Director - Chairman

**R W J Ford**

Director

Company registration number 792877

The notes on pages 23 to 35 form part of these financial statements.

# South West Environmental Parks Limited

## Company Balance Sheet

31 October 2017

	Note	2017 £	2016 As restated £
<b>Fixed assets</b>			
Intangible assets	13	244,206	314,909
Tangible assets	14	5,079,521	5,264,146
Investments	15	2	2
		<u>5,323,729</u>	<u>5,579,057</u>
<b>Current assets</b>			
Stocks	16	93,450	125,849
Debtors and prepayments	17	425,898	511,625
Cash at bank and in hand		4,528,893	3,804,591
		<u>5,048,241</u>	<u>4,442,065</u>
<b>Creditors - Amounts falling due within one year</b>	18	<u>(1,189,791)</u>	<u>(1,157,722)</u>
<b>Net current assets</b>		<u>3,858,450</u>	<u>3,284,343</u>
<b>Total assets less current liabilities</b>		<u>9,182,179</u>	<u>8,863,400</u>
<b>Creditors - Amounts falling due after more than one year</b>	19	<u>(64,148)</u>	<u>(377,602)</u>
<b>Net assets</b>		<u>9,118,031</u>	<u>8,485,798</u>
<b>Capital, reserves and funds</b>			
Called up share capital	21	10,000	10,000
Share premium account	22	23,638	23,638
Unrestricted funds - General		6,805,153	6,120,252
		<u>6,838,791</u>	<u>6,153,890</u>
General funds		6,838,791	6,153,890
Restricted funds	23	2,279,240	2,331,908
		<u>9,118,031</u>	<u>8,485,798</u>

These financial statements were approved by the directors and authorised for issue on 29 March 2018 and are signed on their behalf by

**P R F Chanin**  
Director - Chairman

**R W J Ford**  
Director

Company registration number 792877

The notes on pages 23 to 35 form part of these financial statements.



## South West Environmental Parks Limited

### Consolidated Statement of Cash Flows

Year Ended 31 October 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>	26	<b>827,636</b>	1,667,844
<b>Cash flows from investing activities</b>			
Interest received		13,437	19,860
Payments to acquire tangible fixed assets		(260,717)	(879,706)
Payments to acquire intangible fixed assets		(3,333)	(2,531)
Receipts from sale of tangible fixed assets		69	-
		<b>(250,544)</b>	(862,377)
<b>Cash flows from financing activities</b>			
Interest paid		(17,471)	(28,308)
Repayments of bank loans		(306,637)	(299,980)
		<b>(324,108)</b>	(328,288)
<b>Increase in cash and cash equivalents in the year</b>		<b>252,984</b>	477,179
Cash and cash equivalents at the beginning of the year		<b>5,013,719</b>	4,536,540
<b>Cash and cash equivalents at the end of the year</b>		<b>5,266,703</b>	5,013,719

The notes on pages 23 to 35 form part of these financial statements.

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 1 Accounting Policies

#### **Basis of preparation of financial statements and assessment of going concern**

The financial statements have been prepared under the historical cost convention and are 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 the Republic of Ireland (FRS 102) and the Companies Act 2006.

South West Environmental Parks Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The functional and presentational currency of these financial statements is sterling.

The trustees consider that there are no material uncertainties about the group's ability to continue as a going concern.

These financial statements consolidate the results of South West Environmental Parks Limited and its subsidiaries on a line-by-line basis. A separate Statement of Financial Activities for South West Environmental Parks Limited is not presented in these financial statements because advantage has been taken of the exemptions afforded by section 408 of the Companies Act 2006 and the SORP.

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

#### a) **Intangible Fixed Assets**

Purchased goodwill arising on acquisitions is capitalised and amortised on a straight-line basis over its expected useful economic life of 5 years.

Computer software is amortised on a straight-line basis over its expected useful economic life of 5 years.

#### b) **Tangible Fixed Assets and Depreciation**

All tangible fixed assets are initially recorded at cost, and are depreciated by equal annual instalments over their estimated useful lives at the following rates:

Leasehold buildings and improvements	10 to 50 years
Fixtures, fittings and equipment	5 to 10 years
Motor vehicles	5 years

The valuation of tangible fixed assets is reviewed for impairment whenever events or changes in circumstances suggest that the carrying value of the asset may be in excess of its recoverable amount. Recoverable amount is the higher of net realisable value and value in use (which is measured on the basis of the worth of the service delivery of the asset). Where an impairment has occurred, the carrying value of the asset is written down to its recoverable amount, and the revised value of the asset is depreciated over its remaining useful life. The impairment loss is charged to the Statement of Financial Activities ("SOFA").

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 1 Accounting Policies (continued)

#### c) **Heritage Assets - Animals**

Animals are generally acquired from other zoological organisations without charge, and they are incapable of being reliably valued. Accordingly, no value is attributed to the animals in these financial statements. There were no material purchases or sales of livestock during the year (2016 none).

Full details of the animals included in the zoos' collections are available in a separate annual report published by the charity.

#### d) **Stocks**

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

#### e) **Income**

Donation income, and income from fundraising and animal adoptions, is recognised when the charity becomes entitled to the income and the amount can be quantified with reasonable accuracy. Income from retail trading is recognised when goods are supplied.

Capital grants receivable are credited to the SOFA as they become receivable and are treated as restricted funds. The depreciation on the assets to which the grants relate is charged against these funds.

Income from the operation of the parks represents income from admissions and the related gift aid, and it is recognised at the date of admission. The charity allows admission to the parks in exchange for a donation of at least 10% more than the usual ticket price, as an alternative to the purchase of an admission ticket. Where visitors have decided to make this donation, the usual admission price is shown within income from the operation of the parks and the additional amount is shown within donations. Where applicable, the gift aid recovered is allocated pro rata.

Education and conference income is recognised when the education is provided or when the conference takes place.

Annual membership income is recognised over the period to which it relates.

#### f) **Expenditure**

Expenses are analysed departmentally, and allocated in accordance with the main activity of the staff concerned or the substance of the costs incurred, including expenditure on charitable activities and on raising funds and departments providing support services.

Governance costs are those incurred in connection with the strategic management of the group and compliance with statutory requirements.

Support costs represent the general operational and administrative costs of the group which do not relate directly to individual operations. The basis of the allocation of support costs between costs of raising funds and costs of charitable activities is explained in note 9 below.

#### g) **Pension Costs**

The group operates a grouped personal, defined contribution pension scheme. The assets of the scheme are held separately from those of the group and are independently administered. The amount charged in the SOFA represents the contributions payable to the scheme in respect of the year.

#### h) **Fund Accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the group for particular purposes. The costs of raising and administering such funds are charged against the relevant fund. The aim and use of each restricted fund is set out in the notes to the consolidated financial statements.

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 1 Accounting Policies (continued)

i) **Operating Leases**

The costs of operating leases are charged to the SOFA on a straight-line basis.

j) **VAT**

The group is subject to the partial exemption rules and so does not recover all of the VAT it incurs. Irrecoverable VAT is charged to financial costs within support costs as it arises.

k) **Financial instruments**

The group only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### Changes in accounting policy

#### Accounting for distribution under FRED 68

Following the issue of FRED 68 the charity has changed its accounting policy so that the donation from South West Zoo Enterprises Limited, its trading subsidiary, is now recognised in the period in which the donation is made, rather than in the period in which the donation is agreed. The comparative figures for the charity for the year ended 31 October 2016 have been restated accordingly, leading to a reduction in funds as at 31 October 2016 of £760,790 and a reduction in the surplus for the year then ended of £93,959. There is no effect on the group as a whole.

### 2 Legal status of the charity

The charity is a limited company incorporated in England & Wales.

### 3 Income from donations and legacies

	2017 £	2016 £
Other donations	341,196	376,483
Legacies	-	15,000
	<u>341,196</u>	<u>391,483</u>

As noted in the trustees' report the charity benefits notably from the involvement and enthusiastic contributions of volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

### 4 Income from charitable activities

	2017 £	2016 £
Operation of Paignton Zoo	5,511,878	5,318,065
Operation of Newquay Zoo	1,531,659	1,457,448
Operation of Living Coasts	729,696	758,222
Education	355,576	415,413
Field conservation and research	47,083	38,699
Great Big Rhino income	125,599	135,575
	<u>8,301,491</u>	<u>8,123,422</u>

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 5 Income from other trading activities

	2017 £	2016 £
Fundraising	81,917	66,390
Events	22,923	22,615
Commercial trading operations	3,972,845	4,046,518
	<u>4,077,685</u>	<u>4,135,523</u>

#### Retail Trading Activities

The group's retail trading activities are carried out by its wholly-owned subsidiary, South West Zoo Enterprises Limited, which operates the gift shops, restaurants and all other commercial trading operations carried on at Paignton Zoo, Living Coasts and Newquay Zoo.

### 6 Investment Income

	2017 £	2016 £
Interest receivable	13,437	19,860
	<u>13,437</u>	<u>19,860</u>

### 7 Expenditure on raising funds

	2017 £	2016 £
Adoptions	1,880	1,672
Fund raising	58,422	53,231
Commercial trading operations	3,027,771	2,840,260
Support costs (note 9)	23,897	23,006
	<u>3,111,970</u>	<u>2,918,169</u>

### 8 Expenditure on charitable activities

	Operation of the Parks £	Education £	Conser- vation £	Total 2017 £	Total 2016 £
Animal feed and welfare	2,377,362	-	-	2,377,362	2,178,178
Vet	238,278	-	-	238,278	239,570
Gardens	283,031	-	-	283,031	282,538
Maintenance	1,381,403	-	-	1,381,403	1,131,324
Education	-	377,717	-	377,717	465,769
Conferences	6,404	-	-	6,404	5,191
Donations to conservation projects	-	-	36,750	36,750	29,027
Field conservation and research	-	-	190,864	190,864	171,432
Support costs (note 9)	4,037,222	286,081	-	4,323,303	4,063,800
	<u>8,323,700</u>	<u>663,798</u>	<u>227,614</u>	<u>9,215,112</u>	<u>8,566,829</u>

Expenditure on charitable activities includes costs of £52,668 (2016: £54,688) charged to restricted funds.

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 9 Analysis of support costs

	Raising Funds £	Operation of the Parks £	Education £	Total 2017 £	Total 2016 £
Establishment costs	4,870	823,042	58,528	<b>886,440</b>	856,085
Administration costs	9,431	1,585,356	113,419	<b>1,708,206</b>	1,482,023
Financial costs	1,710	263,824	19,439	<b>284,973</b>	315,521
Marketing	5,531	941,967	67,267	<b>1,014,765</b>	1,028,183
Amortisation	483	58,000	4,849	<b>63,332</b>	62,285
Depreciation	1,771	349,609	21,393	<b>372,773</b>	326,246
Governance costs	101	15,424	1,186	<b>16,711</b>	16,463
	<u>23,897</u>	<u>4,037,222</u>	<u>286,081</u>	<u><b>4,347,200</b></u>	<u>4,086,806</u>

Support costs are allocated between fundraising and adoptions and charitable activities on the basis of numbers of staff, and allocated within charitable activities on the basis of visitor numbers.

### 10 Analysis of governance costs

The analysis of governance costs is as follows:

	2017 £	2016 £
Audit and accountancy fees	<b>11,100</b>	11,000
Trustees' expenses	<b>611</b>	463
Staff costs	<b>5,000</b>	5,000
	<u><b>16,711</b></u>	<u>16,463</u>

### 11 Net income for the year

	2017 £	2016 £
Net incoming resources are stated after charging:		
Auditors' remuneration		
- audit of the financial statements	<b>12,000</b>	12,000
Interest payable on bank loans	<b>17,471</b>	28,308
Operating lease rentals		
- property	<b>170,000</b>	170,000
Depreciation of tangible fixed assets	<b>372,773</b>	326,246
Amortisation of intangible fixed assets	<b>63,332</b>	62,285
	<u><b></b></u>	<u></u>

## South West Environmental Parks Limited

### Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

#### 12 Staff costs, trustee remuneration and expenses, and the remuneration of key management personnel

	2017 £	2016 £
Wages and salaries	5,632,266	5,159,757
Social security costs	385,888	329,319
Pension costs	320,736	290,904
	<u>6,338,890</u>	<u>5,779,980</u>

One employee (2016: one employee) earned more than £60,000 and less than £70,000 during the year. No remuneration was paid to the trustees in the current or previous year. Travelling expenses totalling £611 were reimbursed to six trustees during the year (2015: £463 to five trustees).

Key management personnel remuneration costs were £310,239 (2016: £289,932).

The group of which South West Environmental Parks Limited group is a part, is managed on a unified basis. The key management personnel of the group are remunerated by The Whitley Wildlife Conservation Trust in respect of their services to the group as a whole.

Staff costs are allocated to the charity's activities as follows:

	Direct Costs £	Support Costs £	Total 2017 £	Total 2016 £
Raising funds	1,446,362	6,614	1,452,976	1,331,736
Charitable activities:				
Operation of the parks	3,165,623	1,175,230	4,340,853	3,930,310
Education	308,169	79,975	388,144	374,684
Conservation	156,917	-	156,917	143,250
	<u>5,077,071</u>	<u>1,261,819</u>	<u>6,338,890</u>	<u>5,779,980</u>

The average monthly head count was 359 staff (2016: 346). The average monthly number of full-time equivalent employees analysed by activity were as follows:

	2017 Number	2016 Number
Raising funds	78	76
Charitable expenditure:		
Operation of the parks	170	165
Education	13	12
Conservation	4	3
Governance	1	1
	<u>266</u>	<u>257</u>

## South West Environmental Parks Limited

### Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

#### 13 Intangible Fixed Assets

<b>Group</b>	<b>Goodwill £</b>	<b>Computer Software £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 November 2016	683,075	78,051	761,126
Additions	-	3,333	3,333
<b>At 31 October 2017</b>	<b>683,075</b>	<b>81,384</b>	<b>764,459</b>
<b>Amortisation</b>			
At 1 November 2016	470,185	18,849	489,034
Charge for the year	53,293	10,039	63,332
<b>At 31 October 2017</b>	<b>523,478</b>	<b>28,888</b>	<b>552,366</b>
<b>Net book value</b>			
<b>At 31 October 2017</b>	<b>159,597</b>	<b>52,496</b>	<b>212,093</b>
At 31 October 2016	212,890	59,202	272,092
 <b>Company</b>			
<b>Cost</b>			
At 1 November 2016	774,875	78,051	852,926
Additions	-	3,333	3,333
<b>At 31 October 2017</b>	<b>774,875</b>	<b>81,384</b>	<b>856,259</b>
<b>Amortisation</b>			
At 1 November 2016	519,168	18,849	538,017
Charge for the year	63,997	10,039	74,036
<b>At 31 October 2017</b>	<b>583,165</b>	<b>28,888</b>	<b>612,053</b>
<b>Net book value</b>			
<b>At 31 October 2017</b>	<b>191,710</b>	<b>52,496</b>	<b>244,206</b>
At 31 October 2016	255,707	59,202	314,909



## South West Environmental Parks Limited

### Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

#### 14 Tangible Fixed Assets

Group	Leasehold Buildings £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 November 2016	17,076,029	2,284,786	271,535	19,632,350
Additions	14,423	218,202	28,092	260,717
Disposals	-	-	(14,983)	(14,983)
<b>At 31 October 2017</b>	<b>17,090,452</b>	<b>2,502,988</b>	<b>284,644</b>	<b>19,878,084</b>
<b>Depreciation</b>				
At 1 November 2016	12,399,121	1,559,068	230,961	14,189,150
Charge for year	160,479	197,099	15,195	372,773
Element on disposals	-	-	(14,982)	(14,982)
<b>At 31 October 2017</b>	<b>12,559,600</b>	<b>1,756,167</b>	<b>231,174</b>	<b>14,546,941</b>
<b>Net book value</b>				
<b>At 31 October 2017</b>	<b>4,530,852</b>	<b>746,821</b>	<b>53,470</b>	<b>5,331,143</b>
At 31 October 2016	4,676,908	725,718	40,574	5,443,200
<b>Company</b>				
<b>Cost</b>				
At 1 November 2016	17,076,029	1,758,334	271,535	19,105,898
Additions	14,423	99,072	28,092	141,587
Disposals	-	-	(14,983)	(14,983)
<b>At 31 October 2017</b>	<b>17,090,452</b>	<b>1,857,406</b>	<b>284,644</b>	<b>19,232,502</b>
<b>Depreciation</b>				
At 1 November 2016	12,399,121	1,211,670	230,961	13,841,752
Charge for year	160,479	150,537	15,195	326,211
On Disposals	-	-	(14,982)	(14,982)
<b>At 31 October 2017</b>	<b>12,559,600</b>	<b>1,362,207</b>	<b>231,174</b>	<b>14,152,981</b>
<b>Net book value</b>				
<b>At 31 October 2017</b>	<b>4,530,852</b>	<b>495,199</b>	<b>53,470</b>	<b>5,079,521</b>
At 31 October 2016	4,676,908	546,664	40,574	5,264,146

The group and company's leasehold buildings are held under leases granted by The Whitley Wildlife Conservation Trust, Torbay Council and Restormel Borough Council. The net book value of leasehold buildings as at 31 October 2017 comprises £2,363,565 (2016 £2,454,009) in respect of Paignton Zoo, £752,936 (2016 £771,977) in respect of Living Coasts and £1,414,351 (2016 £1,450,922) in respect of Newquay Zoo.

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 15 Investments – Company

UK Subsidiary  
Undertakings  
£

#### Cost and net book value

At 31 October 2016 and 31 October 2017

2

The charity has two wholly-owned subsidiary companies, South West Zoo Enterprises Limited (company registration number 02494361) and Living Coasts (company registration number 04620880). Both companies are registered in England & Wales.

South West Zoo Enterprises Limited operates the retail trading activities at Paignton Zoo, Living Coasts and Newquay Zoo.

Living Coasts, a registered charity, operates the Living Coasts exhibit. This company is limited by guarantee and has no share capital; accordingly, there is no cost of this investment. Living Coasts is treated as a subsidiary by virtue of the dominant influence exercised over its activities by the trustees of the charity.

A summary of the results of these companies for the year ended 31 October 2017, and of their assets and liabilities at that date, is shown below:

	2017 £	2016 As restated £
<b>South West Zoo Enterprises Limited</b>		
Turnover	3,972,845	4,046,518
Cost of sales and administrative expenses	(3,450,567)	(3,257,914)
Interest receivable and other income	1,212	2,817
Net profit	523,490	791,421
Donations to group companies	(791,421)	(723,861)
Retained in South West Zoo Enterprises Limited	(267,931)	67,560
Fixed assets	-	-
Current assets	923,443	1,429,980
Creditors	(399,951)	(638,557)
	523,492	791,423
Aggregate share capital and reserves	523,492	791,423
<b>Living Coasts</b>		
Incoming	1,200,676	1,127,445
Expenditure	(1,152,210)	(997,679)
Net income	48,466	129,766
Fixed assets	251,622	179,054
Current assets	148,620	106,378
Creditors: Amounts falling due within one year	(159,859)	(93,515)
	240,383	191,917
Funds	240,383	191,917

# South West Environmental Parks Limited

## Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

<b>16 Stocks</b>	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Consumables	103,469	134,220	93,450	125,849
Goods for resale	232,300	268,095	-	-
	<u>335,769</u>	<u>402,315</u>	<u>93,450</u>	<u>125,849</u>
<b>17 Debtors</b>	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 As restated £</b>
Trade debtors	43,539	63,806	41,100	57,111
Amounts owed by subsidiary undertakings	-	-	-	194,569
Other debtors	27,946	42,387	23,974	38,650
Prepayments and accrued income	446,347	261,627	360,824	221,295
	<u>517,832</u>	<u>367,820</u>	<u>425,898</u>	<u>511,625</u>
<b>18 Creditors: Amounts falling due within one year</b>	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Bank loans and overdrafts	313,456	306,639	313,456	306,639
Trade creditors	408,261	363,331	220,942	221,896
Other taxation and social security	360,295	375,257	72,666	69,058
Other creditors	57,552	50,308	37,222	31,680
Accruals and deferred income	610,037	599,690	545,505	528,449
	<u>1,749,601</u>	<u>1,695,225</u>	<u>1,189,791</u>	<u>1,157,722</u>
<b>Deferred income</b>				
Deferred income at 1 November 2016	459,972	377,056	459,972	377,056
Income deferred in the year	477,205	459,972	477,205	459,972
Amounts released from the previous year	(459,972)	(377,056)	(459,972)	(377,056)
Deferred income at 31 October 2017	<u>477,205</u>	<u>459,972</u>	<u>477,205</u>	<u>459,972</u>
<b>19 Creditors: Amounts falling due after more than one year</b>	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Bank loans	64,148	377,602	64,148	377,602
Bank borrowings fall due as follows:				
Within one year	313,456	306,639	313,456	306,639
After more than one year but within two years	64,148	313,456	64,148	313,456
After more than two years but within five years	-	64,146	-	64,146
	<u>377,604</u>	<u>684,241</u>	<u>377,604</u>	<u>684,241</u>

## South West Environmental Parks Limited

### Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

#### 19 Creditors: Amounts falling due after more than one year (continued)

The bank loans are repayable by instalments ending in 2018. The interest charged on 50% of the balance is fixed at a rate of 5.7% and the remainder is floating at a rate of 1.5% above base rate.

Bank borrowings are secured by a charge over the assets of South West Environmental Parks Limited, South West Zoo Enterprises Limited and The Whitley Wildlife Conservation Trust.

#### 20 Commitments under Operating Leases - Group and Company

There were no commitments under operating leases at 31 October 2017 (2016: £Nil).

#### 21 Share Capital

	2017 £	2016 £
Issued and fully paid: Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

#### 22 Reconciliation of Movements in Shareholders' Funds

Group	Share capital £	Share premium £	Other funds £	Total 2017 £	Total 2016 £
At 1 November 2016	10,000	23,638	9,392,681	9,426,319	8,218,912
Net movement in funds	-	-	423,472	423,472	1,207,407
<b>At 31 October 2017</b>	<u><b>10,000</b></u>	<u><b>23,638</b></u>	<u><b>9,816,153</b></u>	<u><b>9,849,791</b></u>	<u><b>9,426,319</b></u>
<b>Company</b>	<b>Share capital £</b>	<b>Share premium £</b>	<b>Other funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 As restated £</b>
At 1 November 2016	10,000	23,638	8,452,160	8,485,798	7,486,421
Net movement in funds	-	-	632,233	632,233	999,377
<b>At 31 October 2017</b>	<u><b>10,000</b></u>	<u><b>23,638</b></u>	<u><b>9,084,393</b></u>	<u><b>9,118,031</b></u>	<u><b>8,485,798</b></u>

## South West Environmental Parks Limited

### Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

#### 23 Movement in Funds

	1 November 2016 £	Incoming Resources £	Resources Expended £	31 October 2017 £
<b>General Funds - Group</b>	<u>7,094,411</u>	<u>12,750,554</u>	<u>(12,274,414)</u>	<u>7,570,551</u>
<b>Restricted Funds – Group and Company</b>				
ERDF Redevelopment Fund	886,041	-	(26,059)	<b>859,982</b>
Living Coasts Grants Fund	771,977	-	(19,044)	<b>752,933</b>
Crocodile Swamp Fund	650,000	-	-	<b>650,000</b>
Solar Water Heating Fund	10,628	-	(5,315)	<b>5,313</b>
Amphibian Ark Solar PV Array Fund	-	-	-	-
Solar PV Array Fund	12,938	-	(2,250)	<b>10,688</b>
Forest Schools Fund	324	-	-	<b>324</b>
<b>Total Restricted Funds</b>	<u>2,331,908</u>	<u>-</u>	<u>(52,668)</u>	<u>2,279,240</u>
<b>Total Funds - Group</b>	<u>9,426,319</u>	<u>12,750,554</u>	<u>(12,327,082)</u>	<u>9,849,791</u>

General funds represent the funds of the charity which are not restricted nor designated for particular purposes.

Restricted funds represent capital grants received for specific projects.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

#### 24 Analysis of Net Assets Between Funds - Group

The group's balance sheet shows net assets of £9,849,791. Tangible fixed assets in respect of restricted funds total £1,628,916 and current assets in respect of restricted funds total £650,324. The remaining net assets relate to unrestricted funds.

#### 25 Parent Undertaking and Related Party Transactions

The charity's parent undertaking and controlling party is its shareholder, The Whitley Wildlife Conservation Trust (charity number 306622). The objects of The Whitley Wildlife Conservation Trust are the advancement of scientific knowledge, education and the promotion of conservation. Its principal activities are the provision of grants to a range of conservation projects, the management of nature reserves for the benefit of wildlife and the public and supporting the scientific, conservation and education work of the other charities within the group.

Group accounts for The Whitley Wildlife Conservation Trust are available from its principal place of business, Paignton Zoo, Totnes Road, Paignton TQ4 7EU.

The charity has taken advantage of the exemption under Charities SORP (FRS102) from disclosing transactions with other members of the group wholly owned by The Whitley Wildlife Conservation Trust.

## South West Environmental Parks Limited

Notes to the Consolidated Financial Statements

Year Ended 31 October 2017

### 26 Cash Flow from Operating Activities - Group

	2017 £	2016 £
Net income for the year	<b>423,472</b>	1,207,407
Depreciation and amortisation	<b>436,105</b>	388,531
Profit on disposal of tangible fixed assets	<b>(68)</b>	-
Interest paid	<b>17,471</b>	28,308
Interest received	<b>(13,437)</b>	(19,860)
Decrease/(increase) in stocks	<b>66,546</b>	(33,887)
(Increase)/decrease in operating debtors	<b>(150,012)</b>	105,073
Increase/(decrease) in operating creditors	<b>47,559</b>	(7,728)
	<hr/>	<hr/>
Cash flow from operating activities	<b>827,636</b>	1,667,844
	<hr/> <hr/>	<hr/> <hr/>