

**Bristol, Clifton and West of England
Zoological Society Limited**

**Annual Report and Financial Statements
for the year ended 31 December 2016**

Registered Charity Number: 1104986

Registered Company Number: 5154176



REPORT OF THE TRUSTEES

The trustees, who are also the directors of the company for the purposes of the Companies Act 2006, present their annual report and the audited consolidated financial statements for the year ended 31 December 2016.

Reference and administrative information

Trustees elected by the members

Richard Clarke - Chairman

Christopher Booy OBE (appointed by Trustees 26 September 2016)

Malcolm Broad MBE

Ben Cosh (appointed by shareholders 5 May 2016)

David Esam

Professor Allen Goodship (retired 18 July 2016)

Paul Kearney

Claire Ladkin

Mathew Laws

James McArthur (retired 26 September 2016)

Charlotte Moar

Professor Joanna Price (appointed by Trustees 18 July 2016)

Professor Frank Smith (retired 5 May 2016)

Professor Steven Neill

Nominated by the University of the West of England

Professor Innes Cuthill

Nominated by the University of Bristol

Membership of Committees

A: Attendee

C: Chair

M: Member

	Board of Trustees	Senior Staff Remuneration Committee	Finance and Audit Committee	Welfare and Research Advisory Board	Commercial Advisory Board	Bristol Zoo Enterprises Ltd Board of Directors	Pension Fund Trustees
Trustees							
Richard Clarke	C	M				C	
Christopher Booy	M					M	
Malcolm Broad	M		C – Finance		M	M	
Ben Cosh	M				M	M	
Prof Innes Cuthill	M			M		M	
David Esam	M			M		M	
Paul Kearney	M					M	
Claire Ladkin	M		M			M	
Mathew Laws	M		M			M	
Charlotte Moar	M	C	C – Audit			M	
Prof Steven Neill	M	M			C	M	
Prof Joanna Price	M			C		M	
Staff							
Dr Bryan Carroll	A	A	A	M	M	M	
Kathryn Price	A		A		M	A	A
Thomas Hedges	A					A	
Dr Christoph Schwitzer	A			M		A	
Wendy Walton	A		A		M	A	
Michelle Barrows				M			
Dr Sue Dow				M			
Dr Gráinne McCabe				M			
John Partridge				M			
Owain Cassidy					M		

Bristol, Clifton and West of England Zoological Society Limited

REPORT OF THE TRUSTEES (continued)

	Board of Trustees	Senior Staff Remuneration Committee	Finance and Audit Committee	Welfare and Research Advisory Board	Commercial Advisory Board	Bristol Zoo Enterprises Ltd Board of Directors	Pension Fund Trustees
Karen Coghlan			A				
Simon Garrett							M
Philip Jearey							M
Others							
Martin Davies Jones							M
John Howells							M
Prof M Bruford				M			
Dr Mhairi Gibson				M			
Prof Michael Mendl				M			
Prof Ruud ter Meulen				M			
Prof Frank Smith				M			
Dr James Yeates				M			
James McArthur							C

REPORT OF THE TRUSTEES (continued)

Chief Executive Officer

Dr Bryan Carroll

Senior Management Team

Kathryn Price	Director of Finance (Company Secretary) – appointed 21 November 2016
Nicholas Higgins	Director of Finance and HR (Company Secretary) – resigned 18 November 2016
Wendy Walton	Director of Commercial Operations
Dr Christoph Schwitzer	Director of Conservation
Tom Hedges	Director of Estates – appointed 1 August 2016
Carol Groves	HR Business Partner – appointed 7 July 2016

The Society is a company limited by shares. The company registration number is 5154176 and it is registered as a charity in England & Wales, charity number 1104986.

Registered address

Bristol Zoo Gardens
Guthrie Road
Clifton, Bristol BS8 3HA

Advisers

Solicitors

Osborne Clarke
2 Temple Back East, Temple Quay
Bristol BS1 6EG

Bankers

HSBC Bank plc
3 Temple Quay
Bristol
BS1 6DZ

Investment Adviser

Smith & Williamson Investment Management Ltd
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Independent Auditors

Moore Stephens
Chartered Accountants and Statutory Auditors
30 Gay Street, Bath, BA1 2PA

Charitable Objects, Mission and Vision

The Society's Charitable Objects are to advance:

- a) the public understanding and the conservation of wildlife and the natural environment, and
- b) the scientific study of plants and animals.

The Society's Mission is "To save wildlife through conservation action and engaging people with the natural world".

The Society's Vision is "A sustainable future for wildlife and people".

The Society's principal activities are (a) the operation of Bristol Zoo Gardens as a centre for wildlife conservation and as a popular visitor attraction which educates and entertains the public, (b) research and conservation work carried out in the field, and (c) the development of the Hollywood Tower Estate on the outskirts of Bristol as a new zoo, named the "Wild Place Project". Its opening in 2013 was the first step of the long-term plan to develop the whole estate as the National Wildlife Conservation Park.

Public Benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees believe that the carrying out of the aims of the Society provides a public benefit in a number of areas, including the provision of education and of facilities for recreation, and the conservation of endangered species.

REPORT OF THE TRUSTEES (continued)

They also believe that the degree of public access is sufficient for the Society's aims to be carried out for the public benefit. The main activities are the operation of Bristol Zoo Gardens and Wild Place Project, and when setting admission prices, due regard is paid to enabling as many members of the public as possible to benefit from the facilities. A range of discounted admission prices is available for students, school groups, senior citizens, people with disabilities etc. The Society also offers other schemes, such as volunteering and the provision of outreach, which will benefit those who would ordinarily be unable to afford access.

The Strategic Report contains a fuller description of the public benefit that the Society provides.

Strategic Report

Our objectives and achievements for 2016

The highlights and milestones for 2016 as a context in which to view the financial statements which follow were:

- The birth of baby gorilla Afia in February and the publicity surrounding resulted in the significant increase in visitor numbers and income;
- The continued growth and development of the Wild Place Project with the completion of the gelada and cheetah exhibits and the commencement of the giraffe house. We also began a programme of investment in infrastructure development to meet the growth in visitor numbers;
- We started the redevelopment of the restaurant at the Zoo in partnership with our catering providers Levy Restaurants;
- The development of a new field conservation project for Kordofan giraffe in Benoué National Park in Cameroon's North Province;
- The IUCN SSC Primate Specialist Group's Red List assessment workshop for African Primates in Rome, which we organised and facilitated;
- Helping to create a local association of farmers on the Philippine island of Negros, the 'Naubo Community Forest Association'. Its aim is to sustainably manage the community's natural resources and lead discussion on alternatives to deforestation;
- Our behaviour-change campaign, Knot Your Net, which encouraged guests to tie knots in discarded netting before binning it, thus reducing the threat it poses to wildlife and to maintain regularly used netting;
- The development and agreement of our three year strategic plan in December sets out a framework for both sites to develop and grow.

Field Conservation and Science

Global conservation

The latest report on the World's 25 Most Endangered Primates, published every two years by the IUCN SSC Primate Specialist Group, the International Primatological Society, Conservation International and Bristol Zoological Society, highlights the plight of species such as the Sulawesi crested macaque, Hainan gibbon and ring-tailed lemur. In April, we led the IUCN SSC Primate Specialist Group's Red List assessment workshop for African Primates in Rome. We evaluated 179 taxa, of which the number threatened with extinction increased substantially since the previous evaluation 8 years ago.

South Africa

We continued our partnership with SANCCOB on the African penguin Chick Bolstering Project. In 2016, over 900 chicks were rescued, of which 350 have already been released back into their colonies. The others will follow when they are big enough for release. Work continued on our project to monitor wild chick growth and survival in the Robben Island colony. One of our Masters students completed her thesis on the impact of temporary fishing closures around the colony on chick survival. The results indicate that closing the waters around colonies to fishing can have a positive effect on the chicks' physical condition, strengthening the case for permanent restrictions on fishing.

Cameroon

We began a project to save one of the few remaining populations of Kordofan giraffe left in the wild. Our conservation scientists travelled to Benoué National Park, Cameroon, to begin mapping the distribution and assessing population viability of the giraffe using drone technology. Kordofans are one of the most threatened subspecies of giraffes, with less than 2,000 estimated remaining. This project will link to a new giraffe exhibit

REPORT OF THE TRUSTEES (continued)

planned for 2017 at Wild Place Project. We are also supporting Ape Action Africa and their sanctuary for orphaned primates at Mefou, in southern Cameroon.

Philippines

One of the main threats to forest species on the Philippine island of Negros is 'kaigan' farming (or 'slash and burn' agriculture). This year we helped create a local association of farmers: 'the Naubo Community Forest Association'. The aim is to sustainably manage natural resources together and lead discussion on alternatives to deforestation. We have employed a team of wardens to monitor the forest and report illegal activities, as well as to monitor camera traps for evidence of wildlife in the area.

Zoo-based research

We used motion-activated remote camera technology to investigate the activity and behaviour of our yellow-footed rock wallabies. Findings included greater levels of activity in juveniles and a preference for being nocturnal in comparison with the more diurnally-active adult male. Such information can be used to inform husbandry as well as to identify abnormal behaviours in breeding programmes of this Near Threatened species.

Guest conservation action

This year's behaviour-change campaign, Knot Your Net, encouraged guests to tie knots in discarded netting before binning it, and to maintain regularly used netting. Hedgehogs were the mascot species, and guests could take part in activities including visiting the Hedgehog Hub, completing a litter-themed maze, and playing Spikes and Ladders in the Activity Centre.

Native species

We carry out annual monitoring of the silky wave moth – the Avon Gorge is the only English site where this UK native species is found. Twelve locations were surveyed this year, with the presence of moths at all of them. The maximum moth count during survey season was 181, a decrease in numbers on last year's count.

Invasive weeds were removed from over 25 km of river banks in the Greater Bristol area this year, thanks to a series of community action projects run by the Avon Invasive Weed Forum (AIWF). As a lead partner, we managed six community action groups protecting local waterways from pernicious weeds, such as Himalayan balsam.

Avon Gorge and Downs Wildlife Project

Co-founded by Bristol Zoo BZS, this project works to protect and manage the Bristol side of the Avon Gorge, Clifton and Durdham Downs, and to raise awareness of this unique location. It was a successful year for the Zoo-managed education programme of the project; 9,586 people took part in events, activities or educational visits.

Lemurs of Madagascar

Madagascar is the only place in the world where lemurs can be found, but given the extreme level of poverty, local people are being forced to turn to unsustainable livelihoods to make a living, which is threatening the lemurs' habitats. We are working to help safeguard three species on the Sahamalaza Peninsula in the northwest of the country; the Critically Endangered blue-eyed black lemur and Sahamalaza sportive lemur, and the Endangered Sambirano mouse lemur, by working with local people and monitoring the status of the lemur populations.

But the future of lemurs could be safeguarded, and the IUCN Red List status of a number of species down-listed, thanks to a significant donation to the IUCN's 'Save our Species' (SOS) Fund from a private Geneva-based foundation. The generous financial support has been secured with the help of our Director of Conservation, Dr Schwitzer, and will enable the implementation of projects across the country aimed to protect some of the most threatened lemur species.

In January 2017, a six-year plan will be launched, working with a broad range of Malagasy and international civil society organisations, to advance current lemur conservation projects in Madagascar and implement new ones. Without the funding, this would not have been possible.

Dr Schwitzer was lead author of the IUCN Lemur Conservation Strategy 2013–2016, which positions lemurs as one of the most threatened groups of mammals on earth. The strategy includes some 30 individual lemur action plans to help communities across Madagascar protect their own natural resources. It includes plans to offer training on how food cultivation methods can be adapted and to prevent poaching of lemurs for subsistence.

This year, one of our PhD projects confirmed a range extension for the blue-eyed black lemur. We also started two projects with Conservation International (Verde Ventures), examining the use of cacao plantations by lemurs and the biodiversity in vanilla plantations. We supported a project to understand the efficacy of reforestation programmes in Madagascar and continued working with Malagasy NGO, Mikajy Natoria, to monitor populations of the Madagascar sacred ibis in the Sahamalaza peninsula. We also published the latest edition of the IUCN SSC Primate Specialist Group's journal Lemur News, a specialist publication on global lemur research and conservation.

This year our Director of Conservation was given a key appointment by the International Union for Conservation of Nature. Dr Christoph Schwitzer has been appointed to the position of Deputy Chair of the IUCN Species Survival Commission's Primate Specialist Group.

REPORT OF THE TRUSTEES (continued)

Wild Place

Wild Place Project received a royal seal of approval this spring as their Royal Highnesses The Earl and Countess of Wessex, along with their children, visited to officially open the Mahali Pori exhibit. The Earl, who has been Royal Patron of Bristol Zoological Society since 2013, described the attraction as 'terrific' and unveiled a plaque at the exhibit which houses cheetah, zebra, guinea fowl and eland. He also received a personal tour of the site with his family, accompanied by Dr Bryan Carroll, CEO, and Chair of Trustees Richard Clarke.

Another highlight this year was the arrival of six male gelada baboons to live in a new, purpose-built enclosure called Gelada Rocks. Gelada are an exciting and impressive addition and a complex and challenging species to look after. A lot of hard work went into the planning, design and build of the new enclosure which includes the opportunity for guests to visit a mock field scientists' tent, play on the 'abandoned' ranger vehicle, take part in a fossil dig and clamber on the climbing rocks.

Other new arrivals this year included two okapi calves; one of the rarest species in captivity. The first, Ruby, was born in May to mum Kibibi, and the second, in November, to mum Lodja. There are just 15 okapi in the UK, so these births are a huge boost to the breeding programme for this Endangered species.

The year also saw a baby boom in the Discover Madagascar exhibit, with the birth of ring-tailed lemur babies, including two sets of twins. The first youngster was born in March, followed by twins in April and June. The walk-through exhibit is also home to three other lemur species - mongoose lemurs, white-belted ruffed lemurs and red-bellied lemurs – as well as African pygmy goats.

The walled garden area received some new inhabitants as we opened an Asian bird exhibit featuring species such as Socorro doves, which are extinct in the wild; Endangered Visayan tarictic hornbills and Critically Endangered blue-crowned laughing thrushes and Edwards's pheasants.

It is little surprise that such a growing and flourishing attraction, now in its third year, experienced its highest annual visitor figures to date - 160,212; a 30 per cent increase on 2015. In total 174 schools visited and 5,400 children were taught in learning workshops during this year compared to 2,500 in 2015 - an increase of 135 per cent.

Further successes included receiving a 2016 Certificate of Excellence from TripAdvisor for consistently delivering superior service. The prestigious, global accolade celebrates businesses that have earned quality traveller reviews for service, guest experience and overall hospitality over the past year. We are proud that Wild Place Project has maintained an overall TripAdvisor bubble rating of at least four out of five.

Support from the local community continues to play a vital role, and we were incredibly grateful for the 4,410 hours of corporate volunteering completed by 757 volunteers this year. Similarly, our team of more than 80 (check) regular volunteers play a crucial role in assisting with the day to day operation of the site and helping our guests enjoy a great day out.

This community effort continued with the completion of the Welsh Three Peaks Challenge in July by 50 staff and supporters. The fundraising mission involved scaling Snowdon in the north of Wales, Cadair Idris in mid-Wales and Pen y Fan in the south – a combined height of 9,500ft. This, combined with our 5km Wild Run event later in the year, completed by 300 runners, helped us raise £128,404 for our Giraffe House appeal.

Finally, work developing the new giraffe house got underway this year with the demolition of the old giraffe house – home to our zebra and eland - and the construction of their new accommodation. Next year will see the creation of our exciting new £1.1 million giraffe house and paddock on the Edge of Africa exhibit.

Afia's story

Weighing little more than a bag of sugar and needing emergency intensive care at birth, little Afia's start in life was a difficult one. Born by caesarean after her mother, Kera, developed life-threatening pre-eclampsia, Afia needed resuscitating by Zoo vets immediately after delivery.

When Kera's condition worsened and she was too unwell to care for her infant, keepers had no choice but to look after the tiny gorilla themselves to ensure her survival. But her journey from helpless new-born, completely dependent on her human carers, to being successfully reintegrated with her gorilla family, has been an astonishing one.

The first part of Afia's story took place over a 10-month period, during which keepers worked round-the-clock to care for her. In her first few days it was vital that she was kept warm and began taking formula milk from a bottle. A small team of experienced keepers shared the care of the baby, and she quickly grew stronger and more alert.

In the following months, Afia more than doubled her birth weight, started teething and even giggled for the first time. She regularly made national and international news - the total value of press coverage about her was over £94

REPORT OF THE TRUSTEES (continued)

million, and her story was viewed in the media almost 718 million times. A public poll was held to choose her name, voted on by more than 9,000 people. Afia was chosen, meaning 'Friday-born child' in Ghanaian.

Constant care and attention was still needed from keepers, while being mindful to ensure human imprinting was kept to a minimum. Afia spent all day inside the gorilla house, alongside the other gorillas, so that she could see them and become accustomed to their sounds and smells. It was vital she knew she was a gorilla.

At four months old, keepers began weaning her onto steamed vegetables, and she grew stronger still. At eight months old, she was ready to begin gradually meeting the other gorillas. Romina was identified as the best surrogate mother as she displayed good, protective behaviours. Using a gorilla toy, training took place before the introduction so that Romina would allow keepers to bottle-feed Afia several times a day.

The integration process was a delicate one, but much better than we ever dared hope, with staggered introductions over a period of weeks. It was a tense time for keepers, but what has taken years in other zoos was achieved smoothly and safely in a few months. Afia can now be seen alongside all six other members of the gorilla family, playing and relaxing together exactly as a completely normal gorilla infant would.

We are now looking forward to the next chapter of Afia's story, as she grows and flourishes as a young gorilla among her family where she belongs.

As extraordinary as Afia's story is, equally remarkable is that of her birth mother, Kera. Her miraculous recovery from the brink of death is a result of the hard work, skill and dedication of Zoo vets and keepers.

After Kera's emergency caesarean it quickly became clear that she was still very unwell. In the following weeks she was treated intensively for severe anaemia and a chest infection on top of recovering from pre-eclampsia and the caesarean.

Vets gave her a slim chance of survival but did everything they could to treat her, including a blood transfusion from one of the other gorillas – one of only a few times this has ever been carried out on a gorilla. Keepers stayed by Kera's side constantly, giving her oxygen, fluids and medication, and encouraging her to eat small amounts of her favourite foods.

Gradually, after two months of intensive care, Kera's strength began to return. It was a further six months before she finally completed all her treatment. Kera has now fully recovered and can be seen alongside Afia in the Sanlam Gorilla House.

Month by month highlights

These show the breadth of our activities in meeting our conservation objectives, engaging with the local community and generating income to enable BCWEZS to prosper and develop

January

The first of our Lord Howe Island stick insect eggs hatched at the start of the year. Hundreds of the tiny eggs were sent to the Zoo as part of an international effort to save the species. It is one of the rarest insects in the world being found on only one offshore island and is difficult to look after but six nymphs grew into adults and went on to breed, laying over 300 eggs so far – the first time the species has bred outside Australia. It is hoped that this is the start of Europe's first captive breeding programme for this Critically Endangered species.

February

Our annual appeal for volunteers to help save amphibians from being killed on the roads took place again with great success. Every year toads, frogs and newts migrate from their winter hibernation sites to ponds and streams to breed, with toads often crossing busy roads on the journey. We support 19 local toad patrols in and around the Bristol region.

March

Our luxury on-site accommodation, The Lodge, continued to be a huge success this year, with guests including You Tube stars the Saccone Joly family, whose vlogs about their stay received more than 1.2 million views.

April

A major rebuild of the second half of the aquarium took place this year, which saw the arrival of four epaulette sharks known as walking sharks. They are the first sharks at the zoo for around 20 years and are now living with a host of other brightly coloured fish in the new 25,000 litre tropical marine display, which mimics the waves and habitat of the Great Barrier Reef, their natural home.

As well as this, a new 25,000 litre mangrove exhibit, featuring archer fish and an adjacent Indian dwarf mudskipper display, were constructed. These unusual-looking fish can spend up to 90 per cent of their time out of water thanks to their amphibious skin.

REPORT OF THE TRUSTEES (continued)

May

Keepers captured the moment a tiny pancake tortoise began hatching from its shell. The baby African pancake tortoise, roughly the size of a 50p coin on hatching, is the ninth of its species at Bristol Zoo.

A baby pygmy slow loris was born in Twilight World this month. The baby is the third offspring for mother Lorraine who gave birth to twins in 2012.

Our red panda pair had their first baby this summer. The youngster, named Mali, remained well hidden inside a nest box for the first few months, completely dependent on her mother for food.

June

One of the world's rarest spiders, the Desertas wolf spider, was brought into captivity for breeding at Bristol Zoo in an attempt to save it from extinction. It is the first time the species been held in any zoo. These Critically Endangered spiders are only found on the Desertas islands, near Madeira, but are not protected by any specific legislation.

Pupils from Chester Park Junior School's gardening club won the chance to plant an edible garden at the Zoo. The green fingered youngsters created a garden featuring a host of fruit, vegetables, herbs and flowers, as well as food for the Zoo's animals.

July

Bristol Zoological Society celebrated its 180th birthday this month. To mark the occasion, members of the press were invited to see the Zoo's treasure trove of archive material, including the majestic headdress worn by Rosie the elephant which had remained in storage, unseen for 65 years.

Salome the gorilla celebrated her 40th birthday with presents, roses and a tasty vegetable birthday cake this month. Salome has lived at Bristol Zoo since 1998 and is described by her keepers as one of the most intelligent of the troop.

August

Two hugely popular Pokémon Go events were held after-hours within the Zoo grounds. Queues formed round the block for the events, which attracted thousands of players and raised £7,596.

The third annual 'Giggle' stand-up comedy night featured performances from Joel Dommett, Nish Kumar, George Rigden and Sally-Anne Hayward, along with local stand-up comedian and TV warm-up artist, Mark Olver.

September

A baby pygmy hippo made a splash at Bristol Zoo this month. The baby boy was named Hugo following a public vote. The species is Endangered and it is thought less than 2,000 survive in the wild.

Keepers also celebrated the birth of a baby drill. Drills are one of the rarest primates in Africa and Bristol Zoo is one of only four collections in the UK to house this endangered species.

Two sets of golden-headed lion tamarin twins were born in the Zona Brazil exhibit this year - a huge boost for the captive breeding programme for the species, which is one of the world's most endangered primates.

Bristol Zoological Society celebrated the fifth year of its award-winning Bristol Community Plant Project by hosting a garden party for 150 guests. The project involves groups and schools around the city growing different varieties and species of the Endangered plant; Calendula, with the objective of establishing a dispersed collection to achieve 'National Plant Collection' status.

October

Bird keepers celebrated the arrival of a trio of Endangered Visayan tarictic hornbill chicks, following one of the strangest breeding behaviours seen in bird species. Before laying her eggs, the mother sealed herself into the cavity of an artificial tree. For six weeks she and her chicks relied upon the father to provide food through a small gap. Keepers kept a close eye on the family via a CCTV camera inside the tree.

Romina the gorilla had a visit from the dentist to remove three teeth that were causing her discomfort. She underwent a full dental examination including x-rays and treatment, under general anaesthesia, inside the gorilla house.

Three sell-out 'Fright Nights' were held after dark this Halloween, offering brave guests the chance to watch a horror film at the Zoo followed by a terrifying night-time tour of the grounds, with some unexpected visitors.

The Lodge scooped a gold 'Tourism Experience of the Year' award at the Bristol, Bath and Somerset Tourism Awards, attended by around 300 leisure and tourism representatives from around the region.

REPORT OF THE TRUSTEES (continued)

November

From giant tortoises weighing over 30 stone (190kg), to 15ft pythons – Bristol Zoo's Reptile House is home to creatures of all shapes and sizes. But its latest arrivals are the smallest in its collection - 16 tiny bearded pygmy chameleons hatched this year, little bigger than the size of a tic tac mint at birth.

Four critically endangered Bourret's (Vietnamese) box turtles also hatched, taking our captive bred total to eight over the past four years.

A breeding programme for medicinal leeches (*Hirudo medicinalis*) started this year, to boost wild populations. Over 150 have bred so far and a research project has begun to learn more about their behaviour and physiology.

December

Five endangered Mauritius pink pigeon chicks were raised by foster parents from an entirely different species at the end of the year. The female pink pigeon was proving to be unreliable at incubating her own eggs, so they were transferred to a domestic Barbary dove which incubated them successfully.

Three successful festive evenings were held at the Zoo as it once again held its popular Enchanted Christmas events. Over 3,600 people enjoyed carol signing, the light displays, and taking part in a magical arctic adventure to the North Pole.

Financial key performance indicators

Category	2016	2015	% change +/-
Bristol Zoo total guest numbers	562,192	545,722	+3.0%
Bristol Zoo paid attendance	374,716	394,336	-5.0%
BZG Admission income (exc. Gift Aid)	£4.293m	£4.085m	+5.1%
BZG Admission income per head	£11.46	£10.36	+10.6%
Admissions Gift Aid, % of eligible income	49.7%	55.1%	-9.8%
BZG Day Visitor Catering spend per head	£2.48	£2.50	-1.1%
BZG Retail spend per head	£2.41	£2.23	+7.9%

Category	2016	2015	% change +/-
Wild Place total guest numbers	148,181	104,308	+42.1%
Wild Place paid attendance	91,380	68,482	+33.4%
Wild Place Admission income (exc. Gift Aid)	£0.552m	£0.408m	+35.3%
Wild Place Admission income per head	£6.04	£5.96	+1.4%
Wild Place Admissions Gift Aid, % of eligible income	56.1%	60.8%	-7.8%
Wild Place Day Visitor Catering spend per head	£1.96	£2.04	-4.1%
Wild Place Retail spend per head	£1.13	£1.01	+12.2%

Bristol Zoo

Total attendance figures at Bristol Zoo increased by 3% compared with 2015 mainly as a result of the publicity around the birth of baby gorilla Afia. The reduction in paid attendance numbers was down compared with 2015 was largely due to the comparator year having a higher level of discounted promotions in the summer months. Admission income and admission income per head showed healthy growth over 2015 through a combination of gate receipts and higher retail spend per head; the decline in admissions Gift Aid is as a result of the higher proportion of on-line sales where the take-up is lower.

Wild Place

Wild Place continued on its growth path for both attendances and income derived from the number of visitors. The increase in on-line sales also affected the Gift Aid yield at Wild Place as for the Zoo.

Financial results and overview for the year

REPORT OF THE TRUSTEES (continued)

The net consolidated income/expenditure for the year before investment gains and losses was a loss of £157k as compared with a surplus of £8k in 2015. The 2016 loss has been adversely impacted by the write off of the Pelican canopy (net book value of £700k) as part of the restaurant redevelopment. Excluding this one-off transaction, the Society shows a healthy underlying operating surplus which reflects the higher income for relatively little cost arising from the baby gorilla birth.

Net gains on investments of £326k (2015: £211k) ameliorated this but actuarial losses of £674k (2015: a gain of £566k) on the defined benefit scheme means that the net movement in funds was a negative £505k (2015: £785k positive).

Income from the charitable activities of Bristol Zoo and Wild Place continued the growth in 2016 as did income from conservation and research projects mainly as a result of a modest increase in grants received. The reduction in income from commercial activities reflects a poorer than expected return from events and our conference facilities.

Of the 2016 expenditure of £10,388k (2015: £9,547k), £700k is attributable to the write off of the Pelican canopy; excluding this (which is included under Bristol Zoo Gardens charitable expenditure) expenditure grew by 1.6% over 2015 and reflects a healthy operating margin of 5.5%. The growth in Wild Place expenditure reflects the growth in staff numbers as well as the completion of new exhibits for gelada's and cheetahs.

The actuarial loss on the defined benefit scheme arises from a lower discount factor which has resulted in the surplus in 2015 becoming a loss. The Society continues to make deficit payments into the scheme in line with the schedule set out in the valuation in 2015.

Our 2017-2019 Strategic Plan and 2017 objectives

In 2015, the Society produced its 10-year Strategic Plan 2015-2025 and this set out the Strategic Aims of the Society. In December 2016 we refreshed the next three years into a 2017-2019 Strategic Plan and the key focus of the three-year plan under each of our strategic aims is:

Strategic Aim 1: Being a World Leader in conservation breeding, field programmes, veterinary science, research and education.

- Two locally, regionally and nationally excellent zoos, engaging people with the natural world and inspiring behaviour change
- A locally and globally excellent conservation organisation

Strategic Aim 2: Ensuring a Sustainable and Robust Business underpins all our activities

- An amazing, fun and engaging day out
- Maximising existing revenue streams
- Diversification of revenue streams
- Fundraising – increase target to £1m per year
- Communicating a compelling case for support

Strategic Aim 3: Having a positive, can-do attitude and great teamwork based on mutual respect

- Attracting and retaining the best people with the necessary skills and attitude to each play a part in the delivery of the Society mission
- Attaining organisational excellence through continuous learning and development
- Promoting positive attitudes and inspiring motivation to engage our people to be ambassadors for the Society and our mission
- Being effective in our communication and teamwork as this is essential for the delivery of high quality animal care and guest experience

Strategic Aim 4: Acting ethically, responsibly and sustainably in all areas of our work

- Acting sustainably to deliver tangible results by 2025

The main objectives we have to deliver on these in 2017 are:

- Introducing at BZG a programme of intensifying the guest experience and their engagement with the natural world through face to face tours, story-telling and interaction with rangers. We are starting to create a 'hands on, interactive wildlife centre'.
- Undertaking a programme of smaller exhibit renovation and innovation at BZG to address the weak areas of the experience.
- At both sites creating a five year masterplan which sets the framework the development of our guest experience and exhibits.
- Completing our giraffe house at Wild Place and with it the introduction of this major addition to our animal collection. We will continue to develop our British Ancient Woodland proposition and will undertake a major fundraising campaign to support this.

REPORT OF THE TRUSTEES (continued)

- The growth of visitor numbers at Wild Place means that we need to invest in our infrastructure and facilities to maintain the high quality guest experience we have at present
- 2017 will see the completion of the business case and detailed plans for the European Centre of Excellence in Zoological Medicine
- We are continuing to develop our higher education business line by developing our existing offer and exploring the opportunities from our plans to develop the European Centre of Excellence in Zoological Medicine
- In our commercial operations, Camp Baboon (our glamping wildlife experience) opens in late spring and we are examining the potential to make the Mansion a more profitable enterprise.
- In our field conservation work, we will be reviewing project sites and objectives and developing outcome metrics with the aim of increasing our impact.
- We will continue with our change programme to ensure we have motivated and accountable staff who have the right skills we need to develop and grow.
- We will continue to enhance our focus on identifying and implementing ways to improve financial viability so that we can develop our offer at both BZG and Wild Place in a sustainable way.
- We will be enhancing our focus on environmental sustainability by reviewing our activities, with staff engagement and input, and working towards retaining our ISO14001 accreditation.

Principle risks and uncertainties

The principle net risks (after taking into account controls and mitigating actions) have been assessed by the Trustees as:

- a long term decline in visitors for the Clifton site through an increasingly competitive visitor attraction market and restrictions on parking;
- the challenges of running a multi-site operation including the need to ensure sufficient resources and the risk of the sites being in competition with each other.

At the strategic level we are addressing these risks in our 2017-2020 plan by identifying the unique offering of the two sites in the context of other local visitor attractions and basing our objectives and development plans on this. Mitigating actions against further restrictions on parking include a green travel plan, maintaining good relationships with Bristol City Council and the Downs Committee and lobbying other stakeholders as appropriate.

The Trustees also recognise that the potential repayment of the HCA grant of £1.5m on 1 January 2019 represents a risk unless we are able to demonstrate investment to the levels specified. The initiation of the British Ancient Woodland project will add further investment taking it to c£18m; we are also monitoring the impact of legislative changes on state subsidy rules as the UK leaves the EU.

Liquidity risk and credit risk are considered to be low as most of our income is from admission income and only a small amount of our income is billed for later payment by customers. We understand and monitor our cash inflows and outflows and only embark on large capital spend once we have reasonable certainty of the cash generated from operations or secured fundraising or borrowing in place; our overdraft facility provides further liquid funds and we maintain fully liquid cash reserves. We have minimal exposure to interest rate risk on our borrowings as all are at fixed rates for the term of the loan.

Structure, governance and management

Governing Document

The Society is governed by its Memorandum and Articles of Association.

Recruitment and Training of Trustees

As set out in the Articles of Association, there are up to twelve trustees, of whom two are nominated by the University of Bristol and The University of the West of England respectively. The remaining trustees are elected by the shareholders. All Trustees serve a fixed term of four years, with a maximum of three terms.

An analysis of the complementary skills of the trustees has been carried out so that the recruitment of new trustees, as and when required, focuses on the skills which the Board requires.

Prospective new Trustees are invited to visit the Zoo, meet the Chief Executive, key employees and other Trustees, and become acquainted with the culture and standards of the organisation prior to attending formal Trustee meetings.

A pack of information is made available to new Trustees. This comprises copies of the governing documents, past annual reviews, recent statutory and management accounts, minutes of Trustee meetings and other background material including relevant Charity Commission publications. The Trustees receive periodic updates and guidance on their role as Trustees of the charity.

Organisational Management

During the year under review the Trustees met bi-monthly.

REPORT OF THE TRUSTEES (continued)

The Trustees of the charity who were in office during the year and up to the date of signing the financial statements are as shown on page 2.

The Trustees have established committees for specific areas of the Society's operations as follows: an Audit Committee, a Finance & Investment Committee and a Senior Staff Remuneration Committee. There is also a Welfare and Research Advisory Board and a Commercial Advisory Board.

The day-to-day management is delegated to the Chief Executive and Senior Management Team and monitored by the Trustees through them. To facilitate effective operations, the Chief Executive has authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and mission-related activity.

Pay policy for senior staff

The Trustees consider the Board of Trustees, who are the Society's directors, and the Senior Management Team comprise the key management personnel of the Society in charge of directing and controlling, running and operating the Society on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note 25 to the accounts. We have a pay policy for senior staff set and monitored by the senior Staff Remuneration Committee; the pay policy is reviewed annually by the Senior Staff Remuneration Committee and normally increased in line with pay levels for other staff. In view of the nature of the Society, the Trustees benchmark against pay levels in other zoos and visitor attractions of a similar size run on a charitable basis. If recruitment has proven difficult in the recent past a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Group Structure and Relationships

The Society has one wholly-owned subsidiary company, Bristol Zoo Enterprises Limited (company number 1750167), established to operate the retail, catering and conferencing facilities of the Society. It has a licence to operate these facilities and gift aids its taxable profits to the Society.

The Society holds one third of the membership of Bristol Natural History Consortium, established to improve the way we communicate about the natural world through innovative public events, professional development and international dialogue. Its company registration number is 06472186 and it is registered as a charity, number 1123432.

Risk Management

The Trustees have set up an Audit Committee responsible, on behalf of the Trustees, for reviewing the policies and overall process for identifying and assessing risks to the Society. It reviews the major strategic, business, financial and operational risks to which the Society is exposed, both the risk before controls and mitigating actions and the risk after taking these into account. Systems have been established to mitigate those risks and procedures have been implemented to minimise any potential impact on the Society should any of those risks materialise.

The Trustees are generally satisfied that proper systems, including risk assessment procedures, health and safety procedures and insurances are in place and that policies are in place to recognise and mitigate exposure to other major risks.

For details of the principal non-financial risks and uncertainties see the Strategic Report.

Investment powers, policy and performance

Investment powers are governed by the Memorandum and Articles of the Society, which permit the funds to be invested in the manner shown in note 10 to the financial statements. The Investment Policy was reviewed during 2016 and an ethical investment statement added. There has been no change to the intention that the real value of the Society's investments be maintained and enhanced over the long term by investment in a portfolio comprising equities, fixed income stocks and cash. In order to meet these objectives the Trustees have appointed an investment adviser as their agent to manage a diversified portfolio of suitable investments on a discretionary basis. The brief to the adviser states that they should select a balanced investment return from income and capital, with medium risk. The proportions invested in equities, fixed income stocks and cash are reviewed with the investment adviser from time to time to provide guidance on the ongoing suitability of that element of Investment Policy. The performance of the investments has been satisfactory, in line with the relevant benchmarks.

Asset cover for funds

Note 9 to the financial statements sets out an analysis of the assets attributable to the restricted, designated and unrestricted funds. These assets are sufficient to meet with Society's obligations in respect of each individual fund.

Fixed assets

The movements in fixed assets during the year are set out in note 9 to the financial statements. The freehold land and buildings at Clifton were revalued at 30 September 2013. The freehold land and buildings at Hollywood Tower

REPORT OF THE TRUSTEES (continued)

Estate were revalued as at 21 October 2014. The Trustees are not aware of any material changes since the valuations.

Grant giving

The Trustees have approved a policy of setting aside a proportion of the Society's unrestricted funds each year to provide for grants to support *in-situ* conservation projects. Executives bring forward recommendations for projects to support. These recommendations are subject to Trustee approval as part of the Society's annual budgeting process. In addition, grants are made to conservation organisations from the proceeds of specific fundraising exercises.

Fundraising

The Society's approach to fundraising is set out in our Fundraising Policy which is reviewed annually by the Trustees.

The Society primarily fundraises from philanthropic sources (e.g. grant giving bodies & individual/group donors), corporate sponsorship (both cash and "in-kind") and fundraising events.

The Society recognises the need to conduct its fundraising within the context of recognised standards set out in the Institute of Fundraising's (IoF) Code of Fundraising Practice, the Data Protection Act 1998 and the CAP Code (Committee of Advertising Practice). We do not employ external professional fundraisers or companies.

Our fundraising policy stresses the critical importance that no individual should use their position in the Society for personal gain, or to benefit others at the expense of the Society, its mission, or reputation. The policy also set out that individuals must not act in any way that could be reasonably seen by others as compromising the independence and integrity of the Society; all activities are to be carried out with honesty and integrity, with employees never knowingly misleading supporters. Any confidential information obtained must always be protected, and that the trust of all supporters is not violated.

The policy also sets out the way in which we deal with fundraising complaints

Reserves

The Society's policy on restricted funds is to record donations, grants and other sources of fundraising separately where restrictions are imposed that are narrower than the Society's overall objectives. Most of these incoming resources have been utilised in the year for their intended purpose.

The Trustees have a policy of designating unrestricted funds for specific purposes. The main designated funds are:

1. The fixed asset reserve of £ 26,851,000 which equates to the net book value of the Group's tangible fixed assets situated at the Zoological Gardens in Clifton and at Hollywood Tower Estate, other than those funded by long-term loan.
2. Other designated funds totalling £18,000 for purposes described in Note 16.

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets or designated for specific purposes ("the free reserves") held by the Society should be around three months of expenditure. Total expenditure from unrestricted funds amounted to £9.7m in 2016 of which £1.0m was depreciation and £0.7m non-recurring. Cash expended from unrestricted funds was therefore approximately £8m and a free reserves level of £2m would be appropriate. At this level, the Trustees feel that they would be able to continue the current activities of the Society in the event of a significant drop in income, although it would be necessary to consider how the income would be replaced or activities changed.

At 31 December 2016 the free reserves of the group amount to £2.8m which is £0.8m in excess of the required level.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Accounting and reporting responsibilities

Statement of Trustees' responsibilities

The trustees (who are also directors of Bristol, Clifton and West of England Zoological Society Limited for the purposes of company law) are responsible for preparing the Report of the Trustees, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United

REPORT OF THE TRUSTEES (continued)

Kingdom Generally Accepted Accounting Practice).

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence 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 charitable company's auditor is 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 auditor is aware of that information.

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

Independent Auditors

A resolution to appoint Moore Stephens as auditors to the Society will be proposed at the Annual General Meeting.

The Report of the Trustees and the Strategic Review were approved by the Board of Trustees



Richard Clarke

27 March 2017

Independent Auditor's Report to the Trustees and Members of Bristol, Clifton and West of England Zoological Society Limited

We have audited the financial statements of Bristol, Clifton and West of England Zoological Society Limited for the year ended 31 December 2016 which are set out on pages 18 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees, including the Strategic Report, has been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Trustees and Members of Bristol, Clifton and West of England Zoological Society Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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



Mark Burnett (Senior Statutory Auditor)
for and on behalf of Moore Stephens Bath
Chartered Accountants and Statutory Auditors
30 Gay Street
Bath
BA1 2PA

6 April 2017

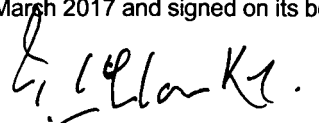

Consolidated statement of financial activities
(including the consolidated income and expenditure account)
for the year ended 31 December 2016

Continuing operations	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Income:					
Donations & legacies		463	99	562	586
Income from charitable activities:					
Bristol Zoo Gardens	2(a)	6,646	-	6,646	6,274
Wild Place Project	2(c)	801	-	801	577
Conservation & Research Projects	2(b)	17	303	320	287
Income from commercial trading operations	3(b)	1,473	-	1,473	1,501
Investment income	3(a)	429	-	429	330
Total income		9,829	402	10,231	9,555
Expenditure					
Expenditure on raising funds:					
Fundraising		161	-	161	140
Commercial Trading Operations		1,303	-	1,303	1,363
Investment management costs		110	-	110	213
	5	1,574	-	1,574	1,716
Expenditure on Charitable activities:					
Bristol Zoo Gardens		7,404	-	7,404	6,609
Wild Place Project		894	-	894	643
Conservation & Research projects		204	288	492	551
National Wildlife Conservation Park		24	-	24	28
Total expenditure	5	10,100	288	10,388	9,547
Net income (expenditure) before investment gains/(losses)		(271)	114	(157)	8
Net gains (losses) on investments		326	-	326	211
Net income/(expenditure) for the year	6	55	114	169	219
Transfers between funds.		(11)	11	-	-
Other recognised gains/ (losses):					
Actuarial (losses) / gains on defined benefit pension scheme	19	(674)	-	(674)	566
Gain on revaluation of fixed assets		-	-	-	-
Net movement in funds		(630)	125	(505)	785
Reconciliation of funds					
Total Funds brought forward	16,17	39,456	641	40,097	39,312
Total Funds carried forward	16,17	38,826	766	39,592	40,097

Balance sheets at 31 December 2016
Registered company number - 5154176

	Note	Group		Society	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed assets					
Tangible assets	9	37,344	38,357	37,344	38,357
Investments	10	5,586	5,260	5,586	5,260
Investment in subsidiary company	4	-	-	-	-
Animals		1	1	1	1
Total fixed assets		42,931	43,618	42,931	43,618
Current assets					
Stocks	11	6	10	6	10
Debtors falling due within one year	12	819	729	763	688
Cash at bank and in hand		595	120	548	64
Total current assets		1,420	859	1,317	762
Creditors: amounts falling due within one year	13	(1,775)	(1,455)	(1,672)	(1,358)
Net current (liabilities)		(355)	(596)	(355)	(596)
Total assets less current liabilities		42,576	43,022	42,576	43,022
Creditors: amounts falling due after more than one year	14	(2,743)	(3,182)	(2,743)	(3,182)
Net assets excluding pension asset/ (liability)		39,833	39,840	39,833	39,840
Defined benefit pension (liability)/ asset	19	(241)	257	(241)	257
Net assets including pension liability/ asset		39,592	40,097	39,592	40,097
Funds:					
Share capital	15	-	-	-	-
Unrestricted income funds					
Designated funds	16	29,472	29,771	29,472	29,771
Revaluation reserve	16	6,253	7,619	6,253	7,619
Other unrestricted funds	16	3,342	1,809	3,342	1,809
Total unrestricted funds before pension asset/(liability)		39,067	39,199	39,067	39,199
Pension reserve	19	(241)	257	(241)	257
Total unrestricted income funds after pension asset/(liability)		38,826	39,456	38,826	39,456
Restricted funds	17	766	641	766	641
Total charity funds	18	39,592	40,097	39,592	40,097

The financial statements on pages 18 to 42 were approved and authorised for issue by the board of Trustees on 27 March 2017 and signed on its behalf by:

) Richard Clarke
) Claire Ladkin

The notes on pages 21 to 42 form part of the financial statements.

Consolidated cash flow statement for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Net cash generated from operating activities	20	1,554	630
Cash flow from investing activities:			
Dividends and interest		82	65
Purchase of property, plant and equipment		(682)	(1,063)
Proceeds from sale of investments		226	540
Purchase of investments		(241)	(631)
Net cash used in investing activities		(615)	(1,089)
Cash flow from financing activities:			
Repayments of borrowing		(439)	(189)
Cash inflows from new borrowing		-	434
Net cash generated from financing activities.		(439)	245
Net increase / (decrease) in cash and cash equivalents in the year		500	(214)
Cash and cash equivalents at the beginning of the year.		135	349
Total cash and cash equivalents at the end of the year	21	635	135
 Cash and cash equivalents consist of:			
		£'000	£'000
Cash at bank and in hand		595	120
Cash deposits for reinvestment		40	15
Net cash		635	135

The notes on pages 21 to 42 form part of the financial statements.

Notes to the financial statements for the year ended 31 December 2016

The Society is a company limited by shares. The company registration number is 5154176 and it is registered as a charity in England & Wales, charity number 1104986. Amounts included in the financial statements are rounded to the nearest whole pound.

1 Principal accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Society 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(s).

Basis of consolidation

The consolidated statement of financial activities, the consolidated balance sheet and the consolidated cash flow statement include the financial statements of the Society and its subsidiary undertakings made up to 31 December 2016, using the acquisition method of accounting. Uniform accounting policies are applied throughout the group. Intra group transactions and profits are eliminated fully on consolidation. The Society's share of the net income, and its share of the net assets, of Bristol Natural History Consortium (of which the Society is a one-third member) have not been included as they do not have a material effect on the financial statements of the Society.

A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Society has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The amount of the net income for the year dealt with in the Society's entity-only financial statements is £169,000 (2015: £219,000).

Preparation of the accounts on a going concern basis.

The Society reported a cash inflow of £500,000 for the year. The trustees are of the view that the bank overdraft facility and the reserves available will be sufficient to cover any short to medium term cash requirements, and that on this basis the charity is a going concern.

Functional currency

The company's functional and presentation currency is the pound sterling.

Donations and legacies

Donations and legacies are credited to revenue on a receivable basis. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts in kind are valued at a reasonable estimate of their value to the Society.

Guest related income

Guest related income represents cash and invoiced amounts of admission charges, goods sold and services provided and commission, stated net of Value Added Tax, together with Gift Aid income, where applicable. The income is recognised at date of receipt or of the visit, if later.

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Principal accounting policies (continued)

Annual and corporate membership income

Annual and corporate membership income is credited in the statement of financial activities on a time basis. Where annual membership commences in mid-year then an amount relating to the subsequent period is deferred within creditors as accruals and deferred income.

Grants receivable

Income from government and other grants, whether 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Rental income

Income from rented properties is recognised in the period in which the rent is due. Income from office lettings is recognised in the period to which it relates. Amounts invoiced for future periods are apportioned and carried forward as deferred income.

Tangible fixed assets and depreciation

Freehold land and buildings were previously revalued every five years by a suitably qualified independent valuer. The land and buildings at Clifton are stated at their valuation as reported in the financial statements as at 1 January 2014. Operational land and buildings at the Hollywood Tower Estate are stated at the valuation carried out at 21 October 2014. Other assets purchased subsequent to those dates, including those under the course of construction, are included at their historical purchase price together with any incidental expenses of acquisition and irrecoverable VAT. The Society took the advantage of the transitional arrangements related to the introduction of FRS102 in 2015 to treat the most recent valuations as deemed cost. Assets with a cost below £2,500 are not capitalised.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold land and buildings (animal houses)	2-4
Other freehold land and buildings	1-2
Leasehold land and buildings	4
Plant and machinery	10 - 20
Motor vehicles	25

Interest on long term loans taken out to finance capital expenditure on land and buildings is capitalised up until the date the assets are brought into use.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Investment properties are stated at fair value as at 31 December 2016, as advised by a qualified independent valuer. These properties are not depreciated.

Investments in government securities and listed companies have been valued at market value in the financial statements at 31 December 2016. Income from investments is included in the year in which it is receivable.

Realised and unrealised gains and losses on investment properties and other investments are combined in the statement of financial activities.

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Principal accounting policies (continued)

Animals

These assets, which are not capable of realistic valuation, are shown at a nominal value and not depreciated. Purchases and sales during the year are treated as revenue transactions.

Stocks

Stocks mainly comprise animal foodstuffs and are stated at the lower of cost or net realisable value. Cost is based on the first-in, first-out method. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Overheads have been allocated on an appropriate basis between cost categories, based on staff numbers or share of resources.

Expenditure on raising funds

Expenditure on raising funds relates to the costs of running and supporting the Society's trading activities and other fundraising projects, and investment management costs.

Costs of charitable activities

Charitable activities include (a) the operation of Bristol Zoo Gardens (b) the operation of Wild Place Project (c) Conservation and Research Projects and (d) development of the National Wildlife Conservation Park (mainly fees for advice concerning planning issues and interest costs on the development loan). Both the direct costs and support costs of these activities are included.

Grants payable

Grants payable are accounted for in full as liabilities of the Society when approved by the trustees and accepted by the beneficiaries.

Support costs

Support costs comprise the direct costs, including staff, attributable to charitable activities and an appropriate apportionment of indirect costs.

Governance costs

Governance costs include expenditure on administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Pension costs

The Society operates a defined benefit pension scheme which closed to new employees in 2004 and ceased accrual in 2012. The assets of the scheme are held in trustee administered funds completely independent of the Society's finances. The Society makes contributions to clear the scheme deficit over a period of time agreed with the Scheme trustees.

The Society makes contributions to defined contribution pension schemes on behalf of staff. The cost of these contributions is charged in the financial statements as incurred.

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Principal accounting policies (continued)

Operating leases

Rentals applicable to operating leases are charged as a cost against the activity for which the expenditure was incurred on a straight-line basis over the term of the lease.

Irrecoverable VAT

Irrecoverable VAT attributable to capital expenditure is capitalised as an addition to the asset in question.

Irrecoverable VAT on revenue expenditure is allocated under the appropriate expenditure headings in the Statement of Financial Activities.

Financial instruments

The Society only has financial assets and financial 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.

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. Investment income and gains are allocated to the appropriate fund.

Significant judgements and estimates

Preparation of the financial statements requires the trustees to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

- reviewing the outstanding trade debtors at the year-end to consider the recoverability of the balances. Where the trustees consider there is significant doubt about the recoverability of a balance then a bad debt provision is made.
- deciding on the expected useful lives of tangible fixed assets. The trustees consider by each fixed asset class the generally accepted best practice for the length of expected useful lives and the Group's own experience when establishing the expected useful lives.
- the apportionment basis for the allocation of costs. The trustees consider that using the number of staff working within different group activities is the fairest basis upon which to allocate overhead costs between these different group activities.
- defined benefit pension scheme. The Society has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management, with advice from the scheme actuary, estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 19 for the disclosures relating to the defined benefit pension scheme.

Notes to the financial statements for the year ended 31 December 2016 (continued)

2a) Bristol Zoo Gardens

	2016	2015
	£'000	£'000
Gate receipts (inc. Gift Aid)	4,809	4,695
Membership income (inc Gift Aid)	866	936
Other (car parks, education fees, vet consultancy etc.)	971	643
	6,646	6,274

Income from Gift Aid is included in the above categories.

2b) Conservation and Research Projects

	2016	2015
	£'000	£'000
Grants received	303	279
Other	17	8
	320	287

2c) Wild Place Project

	2016	2015
	£'000	£'000
Gate receipts (inc Gift Aid)	607	451
Membership income (inc Gift Aid)	134	102
Other (education fees etc.)	60	24
	801	577

3a) Investment income

	2016	2015
	£'000	£'000
Dividends	81	61
Interest on government securities	1	4
Rents and other property income	337	265
	429	330

Notes to the financial statements for the year ended 31 December 2016 (continued)

3b) Commercial trading operations

	2016	2015
	£'000	£'000
On-site catering and retail sales/commission	667	664
Conference facilities	176	190
Events	130	271
Miscellaneous income from activities, including on-site concessions	372	317
Rents and other property income	128	59
	1,473	1,501

3c) Government grants

Included in the above income headings are the following government grants recognised in the financial statements:

	2016	2015
	£'000	£'000
Darwin Initiative grant (funded by DEFRA) for conservation work in Cameroon	-	95
West of England Growth Fund grant (funded by Department for Business, Innovation and Skills) towards extension of Conservation Education Centre	-	-
West of England Growth Fund grant (funded by Department for Business, Innovation and Skills) towards infrastructure at Wild Place Project	-	-
	-	95

4 Subsidiary and associated companies

The Society owns 100% of the share capital of Bristol Zoo Enterprises Limited (company number 01750167) which is incorporated in England and which carries out trading activities relating to the Society. The cost of the investment is £3 and there is no impairment provision.

The Society was the sole member of National Wildlife Conservation Park ('NWCP'), incorporated in England and limited by guarantee. National Wildlife Conservation Park was itself the sole member of Hollywood Estate Enterprises Limited. In 2014, the assets and liabilities of National Wildlife Conservation Park were transferred to the Society and it ceased to trade. Also the assets and liabilities of Hollywood Estate Enterprises Ltd were transferred to Bristol Zoo Enterprises Ltd, and it ceased to trade. In 2015, both companies were dissolved.

The Society holds one third of the membership of Bristol Natural History Consortium ('BNHC'), a charity established to improve communication about the natural world. The Society does not include its share of the results of this charity in the group financial statements of the Society because the results are not material to the Society. The most recent available audited financial statements of BNHC, for the year ended 31 December 2015, show a net deficit and net movement in funds of £4,361 and total funds of £21,388.

Notes to the financial statements for the year ended 31 December 2016 (continued)

4 Subsidiary and associated companies (continued)

The results of the Society and Bristol Zoo Enterprises Limited are set out below, together with the companies' assets and liabilities:

	Society 2016	BZE Ltd 2016	Consolidation adjustments 2016	Total 2016	Total 2015
	£'000	£'000	£'000	£'000	£'000
Income	9,847	1,418	(1,034)	10,231	9,555
Expenditure	(10,004)	(985)	601	(10,388)	(9,547)
Net results before gift aid	(157)	433	(433)	(157)	8
Gift aided donation to the Society	-	(433)	433	-	-
Net income before investment gains/losses	(157)	-	-	(157)	8

	2016 £'000	2015 £'000
Net funds of the subsidiary company		
Aggregate assets	173	185
Aggregate liabilities	(173)	(185)
Aggregate funds	-	-

The trustees believe the carrying value of the investment is supported by its underlying net assets.

5 Expenditure

	Staff costs	Other direct costs	Support costs	Governance costs	2016	2015 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on raising funds:						
Costs of generating voluntary income	120	41	-	-	161	140
Fundraising trading: costs of goods sold	300	1,003	-	-	1,303	1,363
Investment management costs	-	110	-	-	110	213
Total expenditure on raising funds	420	1,154	-	-	1,574	1,716

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Expenditure (continued)

	Staff costs	Other direct costs	Support costs	Governance costs	2016	2015 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure on Charitable activities:						
Bristol Zoo Gardens	2,062	2,081	3,187	74	7,404	6,609
Wild Place Project	143	124	609	18	894	643
Conservation and research projects	172	305	15	-	492	551
National Wildlife Conservation Park	-	24	-	-	24	28
Total expenditure on charitable activities	2,377	2,534	3,811	92	8,814	7,831
Total expenditure	2,797	3,688	3,811	92	10,388	9,547

Allocation of support costs:

	Staff costs	Other costs	2016	2015
	£'000	£'000	£'000	£'000
Bristol Zoo Gardens	1,402	1,785	3,187	2,865
Conservation and Research Projects	10	5	15	17
Wild Place Project	298	311	609	439
	1,710	2,101	3,811	3,321

Support costs have been allocated on the basis of the number of employees engaged in charitable activities, and include the costs of the finance department, maintenance, utilities, admissions, governance costs and a proportion of irrecoverable VAT.

Allocation of governance costs:

	Staff costs	Other costs	2016	2015
	£'000	£'000	£'000	£'000
Bristol Zoo Gardens	44	30	74	70
Conservation and Research Projects	-	-	-	-
Wild Place Project	12	6	18	12
National Wildlife Conservation Park	-	-	-	-
	56	36	92	82

Notes to the financial statements for the year ended 31 December 2016 (continued)

6 Net income/(expenditure)

	2016	2015
	£'000	£'000
Net income/(expenditure) for the year is stated after charging:		
Operating lease payments:		
Plant, machinery and vehicles	22	6
Depreciation	996	1,033
Loss on disposal of fixed asset	700	-
Trustee indemnity insurance	1	1
Auditors' remuneration for:		
Audit services (Society: £14,500 (2015: £21,300))	18	29
Other services – taxation advisory services	-	6
Other services – taxation and other compliance services	3	2

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2016	2015
	Number	Number
The average monthly head count was 211 staff (2015: 199 staff). The average monthly number of full time equivalent employees during the year was:		
Generating voluntary income	6	5
Generating income from activities	9	8
Bristol Zoo Gardens - direct	81	78
Conservation & research projects	7	7
Wild Place Project	18	14
Support	51	51
	172	163
	2016	2015
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	4,087	3,634
Social security costs	295	262
Contributions to defined contribution pension scheme (see note 19)	164	164
Death-in-service benefits and pensions to former staff	19	18
	4,565	4,078

£nil of the above staff costs have been capitalised in the year (2015: £7,000).

Notes to the financial statements for the year ended 31 December 2016 (continued)

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees whose annual emoluments exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	2	-
£80,001 - £90,000	2	1

A salary exchange arrangement was introduced in 2015 for members of the Senior Management Team. The emoluments include salaries sacrificed.

Contributions of £41,249 (2015: £19,271) in respect of higher paid employees were paid to a defined contribution pension scheme.

No Trustee received any remuneration from the Society during the year (2015: £nil). No Trustee has received reimbursement for out of pocket expenses, nor were any expenses paid for or on behalf of Trustees (2015: £nil). No Trustee received payment for professional or other services supplied to the Society (2015: £nil).

The Board of Trustees, who are the Society's directors, and the Senior Management Team comprise the key management personnel of the Society (see page 3). The total of employee benefits of key management personnel was £449,825 (2015: £338,196).

Three employees received payments on termination of employment totalling £185,806 (2015: £14,769). These were paid in the year, and charged as an expense in the statement of financial activities. £71,475 of this figure was covered by an insurance claim.

The Society pays the premiums on behalf of the Trustees in respect of Management Liability insurance. The premium paid in 2016 was £1,101 (2015: £1,049).

Pension contributions outstanding at the year-end were £20,242 (2015: £12,352).

8 Taxation

The parent company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Fixed assets

Group & Society	Freehold operational land & buildings	Leasehold operational land & buildings	Plant & machinery	Motor vehicles	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation						
At 1 January 2016	38,159	121	2,432	29	69	40,810
Additions	227	-	140	-	316	683
Disposals	(735)	-	-	-	-	(735)
Reclassification	204	-	-	-	(204)	-
At 31 December 2016	37,855	121	2,572	29	181	40,758
Accumulated depreciation						
At 1 January 2016 (as previously reported)	1,399	76	967	11	-	2,453
Charge in year	755	5	229	7	-	996
Disposals	(35)	-	-	-	-	(35)
At 31 December 2016	2,119	81	1,196	18	-	3,414
Net book value						
At 31 December 2016	35,736	40	1,376	11	181	37,344
At 31 December 2015	36,760	45	1,465	18	69	38,357

Freehold land and buildings at Clifton were valued as at 30 September 2013 on an Existing Use Value basis by independent valuers Jones Lang LaSalle, Chartered Surveyors, Bristol. Depreciated replacement cost was used for operational property, and either open market value or break-up value on residential and investment properties. The freehold land and buildings at Hollywood Tower Estate were valued as at 21 October 2014.

The freehold land and buildings which comprise the Hollywood Tower Estate consist of operational properties with a net book value of £3,188,816 and investment properties with a fair value of £2,603,000 (see note 10) as at 31 December 2016. They are subject to a first charge to secure a bank loan which amounted to £1,003,000 (2015: £1,003,000) which is 17% (2015: 18%) of the overall value of the assets. They are also subject to a second charge to secure the HCA (ex SWRDA) NWCP project funding of £1,500,000 (2015: £1,500,000) which is 26% (2015: 27%) of the value of the assets.

The car park land and gardens yard in College Road, Clifton, act as security for the Education Centre loan which was drawn in 2015. The amount of the loan exceeds the current net book value of these assets.

Residential properties at Clifton with a net book value of £1,277,500 at 31 December 2016 are subject to a first charge in favour of Bristol Zoo Retirement and Death Benefit Scheme.

The Society applied the transitional arrangements of Section 35 of FRS102 and used a previous valuation as the deemed cost for certain freehold properties. The properties are being depreciated from the valuation date. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to the fixed asset reserve element of designated unrestricted funds.

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Fixed assets (continued)

Analysis of the land and buildings valued at the date of transition to FRS102 using the deemed cost exemption:

	2015 £'000
Group and Society	
Historical cost equivalent	3,953
Revaluation	32,807
Net book value	36,760

10 Investments

Group and Society	Investment Properties £'000	Listed and other investments £'000	Cash for reinvestment £'000	Total £'000
Cost or valuation at 1 January 2016	2,560	2,685	15	5,260
Additions	-	226	25	251
Disposals at opening market value	-	(248)	-	(248)
Net revaluation (losses)/gains	43	280	-	323
Net book value				
At 31 December 2016	2,603	2,943	40	5,586
Net book value				
At 31 December 2015	2,560	2,685	15	5,260

Investment properties are stated at fair value as at 31 December 2016, based on an indexation factor from the formal valuation at October 2014. The indexation factor was provided by a suitably qualified independent valuer. These properties are the subject of first and second charges, details of which are included in note 9.

Listed and other investments are stated at their market value at 31 December 2016. The historical cost of these investments at 31 December 2016 was £2,059,337 (2015: £2,092,000).

The portfolio was structured as follows at 31 December 2016:	%
Listed on UK Stock Exchange	98.7
Cash deposits	1.3
	100.0

The Society owns three shares of £1 each in its wholly owned trading subsidiary Bristol Zoo Enterprises Ltd which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid.

11 Stocks

	Group		Society	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Animals foodstuffs, cleaning materials, etc.	6	10	6	10

The difference between purchase price of stocks and their replacement value is not material.

Notes to the financial statements for the year ended 31 December 2016 (continued)

12 Debtors: amounts falling due within one year

	Group 2016 £'000	2015 £'000	Society 2016 £'000	2015 £'000
Amounts falling due within one year				
Trade debtors	258	292	170	206
Amounts owed by group undertaking	-	-	75	88
Other debtors	14	68	4	29
Prepayments & accrued income	547	369	514	365
	819	729	763	688

13 Creditors: amounts falling due within one year

	Group 2016 £'000	2015 £'000	Society 2016 £'000	2015 £'000
Bank loan	455	271	455	271
Trade creditors	217	165	196	139
Taxation and social security	135	106	135	106
Other creditors	76	38	26	17
Accruals & deferred income	883	866	851	816
Accrual for unissued share capital	9	9	9	9
	1,775	1,455	1,672	1,358

The bank loan is secured by a first charge on the land and buildings situated at the Hollywood Tower Estate, together with an assignment of the rental income. Interest on the bank loan is charged at 1.65 % above HSBC base rate.

The second bank loan is secured on land and buildings situated in College Road, Clifton. Interest on the loan is charged at 2.0% above Bank of England base rate.

Deferred income for the Group and Society relates mainly to annual and corporate membership income, and unredeemed admission ticket sales.

The movements in deferred income included within creditors: amounts falling due within one year are analysed below:

	Group 2016 £'000	2015 £'000	Society 2016 £'000	2015 £'000
Deferred income at 1 January	556	567	534	546
Amount released from previous periods	(556)	(567)	(534)	(546)
Incoming resources deferred in the year	589	556	562	534
Deferred income at 31 December	589	556	562	534

Notes to the financial statements for the year ended 31 December 2016 (continued)

14 Creditors: amounts falling due after more than one year

Group and Society	2016 £'000	2015 £'000
Bank loans repayable in instalments within one to two years	467	375
Bank loan repayable in instalments within two to five years	1,404	1,444
Bank loan repayable in instalments after more than five years	872	1,363
	2,743	3,182

The above loans qualify as basic financial instruments. The total loans, including amounts due within one year, amount to £3,198,000 (2015: £3,453,000).

15 Share capital

	2016	2015
Authorised – value	£350	£350
Allotted, called up and fully paid shares of £1		
- value	£275	£275
- number	275	275

16 Unrestricted funds

Group	Balance 1 January 2016	Income	Expenditure	Transfers, investment gains/ (losses), pension surplus	Balance 31 December 2016
	£'000	£'000	£'000	£'000	£'000
Designated funds					
Staff Development Fund	4	-	-	-	4
Keeper for the Day Fund	16	10	(12)	-	14
Fixed asset reserve	27,191	-	(340)	-	26,851
Investment property reserve	2,560	-	-	43	2,603
	29,771	10	(352)	43	29,472
Revaluation reserve	7,619	-	-	(1,366)	6,253
Other unrestricted funds (including pension surplus)	2,066	9,819	(9,748)	964	3,101
Total unrestricted funds	39,456	9,829	(10,100)	(359)	38,826

The designated funds consist of the following funds:

The Staff Development Fund is to earmark funds for staff development. The Keeper for the Day fund is to earmark funds for training and development of animal department staff.

The Fixed Asset Reserve has been established to equate to the net book value of the Group's tangible fixed assets, net of loan funding, restricted funding or revaluation reserve. The movement in the fund reflects the changes in the net book values of the assets.

Notes to the financial statements for the year ended 31 December 2016 (continued)

16 Unrestricted funds (continued)

The Investment Property Reserve has been established to equate to the net book value of the Group's Investment Properties, as these are not easily realisable. The movement in the fund reflects the changes in the net book values of the assets.

Income from investments is allocated to other unrestricted funds.

Society	Balance 1 January 2016	Incoming resources	Resources Expended	Transfers, investment gains/(losses) pension surplus	Balance 31 December 2016
	£'000	£'000	£'000	£'000	£'000
Designated funds					
Staff Development Fund	4	-	-	-	4
Keeper for the Day Fund	16	10	(12)	-	14
Fixed asset reserve	27,191	-	(340)	-	26,851
Investment property reserve	2,560	-	-	43	2,603
	29,771	10	(352)	43	29,472
Revaluation reserve	7,619	-	-	(1,366)	6,253
Other unrestricted funds	2,066	9,434	(9,363)	964	3,101
Total unrestricted funds	39,456	9,444	(9,715)	(359)	38,826

17 Restricted funds

Group and Society

	Balance 1 January 2016	Incoming resources	Resources Expended	Transfers between funds & adjustments	Balance 31 December 2016
	£'000	£'000	£'000	£'000	£'000
Society					
Adopt a BEE	4	16	-	-	20
Aquarium Display Fund	20	-	4	-	16
Avon Invasive Weeds Fund	23	26	25	(3)	21
Conservation Fund	54	109	-	-	163
Education Centre Fund	99	-	1	-	98
Frog Fund	14	-	3	-	11
Giraffe Conservation Fund	-	22	8	-	14
Giraffe Fund	46	8	-	-	54
Gorilla Auction Fund	187	-	12	-	175
Gorilla Conservation Fund	31	1	-	-	32
Lemur News	8	5	2	8	19
Madagascar Fund	20	26	11	-	35
Penguin Fund	19	12	16	-	15
Wild Place Infrastructure Fund	14	-	3	-	11
Other restricted funds with movements of less than £10,000	102	177	203	6	82
Total	641	402	288	11	766

The Aquarium Display Fund was set up to provide funds for an invasive species display in the aquarium

Notes to the financial statements for the year ended 31 December 2016 (continued)

17 Restricted funds (continued)

The Avon Gorge and Downs Conservation Scheme was set up to provide funds for conservation work to be carried out in this area, near to Bristol Zoo.

The Avon Invasive Weeds Fund was set up to provide funds for eradication of invasive weeds.

The Conservation Fund was set up to provide funds for general conservation work.

The Education Centre Fund was set up to provide funds for the construction of the extension to the Conservation Education Centre at Bristol Zoo, to become the Institute of Conservation and Learning.

The Frog Fund was set up to provide funds for the construction and running of the 'Amphipod' Frog breeding centre at Bristol Zoo Gardens.

The Giraffe Fund was set up to provide funds for the construction of a new giraffe house at Wild Place Project, and for an in situ giraffe conservation project.

The Gorilla Auction Fund was set up to provide funds for in situ and ex situ gorilla conservation.

The Penguin Fund was set up to provide funds for the conservation of penguins, mainly in South Africa.

The Wild Place Infrastructure Fund was set up to provide funds for works such as upgrading the electrical supply at Wild Place Project.

The other restricted funds were all set up as conservation or other funds for a specific purpose as described in the fund name.

The transfers between funds represent reclassification of expenditure from funds with similar purposes.

18 Allocation of net assets

Group and society	Fixed assets	Investments	Net current assets and animals less liabilities	Long term creditors	Pension asset	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Share capital	-	-	-	-	-	-
Unrestricted funds	4,094	2,983	(992)	(2,743)	(241)	3,101
Designated funds	33,104	2,603	18	-	-	35,725
Restricted funds	146	-	620	-	-	766
Total	37,344	5,586	(354)	(2,743)	(241)	39,592

Notes to the financial statements for the year ended 31 December 2016 (continued)

19 Pensions

Defined benefit scheme

The Society operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The scheme closed to new entrants in 2004, and on 30 September 2012 ceased accrual of benefits. A full actuarial valuation was carried out at 30 September 2015 and was updated to 31 December 2016 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. The most recent actuarial valuation showed a deficit of £1,542,000. The Society has agreed with the trustees that it will aim to eliminate the deficit by payment of annual contributions of £163,000, increasing at 5.25% p.a. and payable each October from 2015 to 31 October 2021 with a reduced final contribution of £119,500 payable by 31 October 2021.

The best estimate of contributions to be paid by the Society to the scheme for the year beginning after 31 December 2016 is £172,000 (2015: £162,000).

The Society has agreed with the trustees that it will meet expenses of the scheme and pay amounts into the scheme equal to the levy payments made by the plan to the Pension Protection Fund.

The major assumptions used by the actuary were:

Assumptions

	2016	2015	2014
	% per annum	% per annum	% per annum
Inflation (RPI)	3.40%	3.20%	3.10%
Inflation (CPI)	2.40%	2.20%	2.30%
Rate of discount	2.70%	3.90%	3.60%
Allowance for pension payment increases of CPI or 5% p.a. if less	2.40%	2.20%	2.30%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.40%	2.20%	2.30%
Allowance for revaluation of deferred pensions of CPI or 2.5% if less	2.40%	2.20%	2.30%

The mortality assumptions adopted at 31 December 2016 imply the following life expectancies:

	2016 years	2015 years
Male retiring at age 65 in 2016	22.2	22.0
Female retiring at age 65 in 2016	24.2	24.3
Male retiring at age 65 in 2036	23.9	23.7
Female retiring at age 65 in 2036	26.1	26.2

Notes to the financial statements for the year ended 31 December 2016 (continued)

19 Pensions (continued)

The fair value of the assets in the scheme was:

	2016 £'000	2015 £'000
Equities	4,019	4,209
With Profit assets	6	6
Bonds	2,102	347
Other (property, cash etc.)	14	448
Fair value of assets	6,141	5,010

None of the fair values of the assets shown above include any of the group's own financial instruments or any property occupied by, or other assets used by, the group.

Reconciliation of scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2016	5,010	(4,753)	257
Interest income/(expense)	198	(185)	(13)
Actuarial gains / (losses)	810	(1,484)	(674)
Employer contributions	212	-	212
Benefits paid	(89)	89	-
Expenses	-	(49)	(49)
At 31 December 2016	6,141	(6,382)	(241)

Defined benefit costs recognised in the Statement of Financial Activities

	2016 £'000	2015 £'000
Net interest cost	(13)	13
Expenses	49	14
Total costs recognised in the Statement of Financial Activities	36	27

Notes to the financial statements for the year ended 31 December 2016 (continued)

19 Pensions (continued)

Amounts for the current and previous four years

	2016	2015	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000
Fair value of scheme assets	6,141	5,010	4,667	4,181	3,504
Present value of defined benefit obligation	6,382	4,753	5,116	4,250	3,943
(Deficit) / Surplus in the scheme	(241)	257	(449)	(69)	(439)

Defined contribution scheme

The Society operates a Group Personal Pension scheme into which eligible employees are now auto-enrolled. The Society makes contributions. The pension cost for the year payable to this scheme was £164,000 (2015: £164,000).

The costs of pensions paid to former employees and the provision of death in service benefits total £19,000 (2015: £18,000).

Pension costs are allocated to expenditure categories in proportion to staff numbers.

20 Reconciliation of net (expenditure)/income to net cash provided by operating activities

	2016	2015
	£'000	£'000
Continuing activities		
Movement in funds	(505)	785
Actuarial (gains)/losses on defined benefit pension scheme	674	(566)
(Gain) on revaluation of fixed assets	-	-
Net (gains)/losses on investments	(326)	(211)
Net income for the year before investment (gains) /losses	(157)	8
Difference in pension deficit contributions and charge arising from service costs and financial credit/charge	(176)	(140)
Loss on disposal of fixed assets	700	-
Dividends and interest	(82)	(65)
Depreciation of tangible fixed assets	996	1,033
Decrease/(increase) in stocks	4	1
(Increase) in debtors	(90)	(19)
Increase/(decrease) in creditors	359	(188)
Net cash provided by operating activities	1,554	630

Notes to the financial statements for the year ended 31 December 2016 (continued)

21 Analysis of cash and cash equivalents	At 1 January 2016 £'000	Cash Flows £'000	At 31 December 2016 £'000
Cash at bank and in hand	120	475	595
Cash deposits for reinvestment	15	25	40
Cash and cash equivalents	135	500	635

All the movements from the opening to closing components above result from the cash flows of the group.

22 Commitments under operating leases

At the year end the future minimum lease payments under non-cancellable operating leases for property and for vehicles were as follows:

Group and Society	2016 £'000	2015 £'000
Within one year	56	34
Between two and five years	109	113
More than five years	337	83
	502	230

23 Capital commitments

Group and Society	2016 £'000	2015 £'000
Amounts falling due within one year:		
Amounts authorised but not yet contracted	559	30

Amounts authorized but not yet contracted are in respect of the giraffe house and associated paddock construction.

24 Contingent liabilities

The grant from HCA (ex SWRDA) towards the NWCP project is conditional upon certain milestones and objectives being achieved before 1 January 2019. If this does not happen, the grant is repayable. The total grant received to 31 December 2016 was £1,500,000 (2015: £1,500,000).

Notes to the financial statements for the year ended 31 December 2016 (continued)

25 Related party transactions

The Society has considered the disclosure requirements of the Statement of Recommended Practice for Charities and of FRS102 and believes that the following related party transactions, all of which were made on an arm's length basis, require disclosure:

1. During the year the Society paid subscriptions and bought goods and services to the value of £8,150 (2015: £7,775) from Destination Bristol. Wendy Walton, Director of Commercial Operations, is a non-executive director of that company.
2. During the year the Society paid £39,000 (2015: nil) in fees to Price Solutions Limited. Kathryn Price, subsequently appointed as Finance Director in 2017 is a director of that company.
3. During the year the following transactions took place between the Society and its wholly owned subsidiary Bristol Zoo Enterprises Limited. (a) The provision of an operating licence by the Society as a concession to occupy the space used for catering, retail, and other commercial activities at Bristol Zoo Gardens and Wild place Project and make use of equipment. In 2016, the licence fee was £148,236 (2015: £149,359) (b) A management charge by the Society to cover BZE Ltd's share of central costs and overheads. In 2016, this was £452,463 (2015: £414,063) (c) The transfer under Gift Aid of the trading profits of BZE Ltd for 2015, amounted to £582,356 and for 2016 £432,618.

The balance due from BZE Ltd to the Society at 31 December 2016 was £75,447 (2015: £88,000)

26 Additional information

Bristol, Clifton and West of England Zoological Society Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Bristol Zoo Gardens, Clifton, Bristol BS8 3HA. Its principal activities are the operation of Bristol Zoo Gardens and Wild Place Project, and research and conservation work carried out in the field

27 Controlling party

In the opinion of the Trustees there is no single controlling party.

28 Financial instruments

The company has the following financial instruments:

	Note	Group		Society	
		2016	2015	2016	2015
		£'000	£'000	£'000	£'000
Financial assets that are debt instruments measured at amortised cost:					
Trade debtors	12	258	292	170	206
Amounts owed by group undertaking	12	-	-	75	88
		258	292	245	294
Financial liabilities measured at amortised cost:					
Bank loans	13,14	3,198	3,453	3,198	3,453
Trade creditors	13	217	165	196	139
		3,415	3,618	3,394	3,592

Notes to the financial statements for the year ended 31 December 2016 (continued)

29 Comparative figures for the consolidated statement of financial activities

Continuing operations	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000
Income:			
Donations & legacies	271	315	586
Income from charitable activities:			
Bristol Zoo Gardens	6,274	-	6,274
Wild Place Project	577	-	577
Conservation & Research Projects	9	278	287
Income from commercial trading operations	1,463	38	1,501
Investment income	330	-	330
Total income	8,924	631	9,555
Expenditure			
Expenditure on raising funds:			
Fundraising	140	-	140
Commercial Trading Operations	1,363	-	1,363
Investment management costs	213	-	213
	1,716	-	1,761
Expenditure on Charitable activities:			
Bristol Zoo Gardens	6,399	210	6,609
Wild Place Project	593	50	643
Conservation & Research projects	158	393	551
National Wildlife Conservation Park	28	-	28
Total expenditure	8,894	653	9,547
Net income (expenditure) before investment gains/(losses)	30	(22)	8
Net gains (losses) on investments	211	-	211
Net income/(expenditure) for the year	241	(22)	219
Transfers between funds	(18)	18	-
Other recognised gains/ (losses):			
Actuarial gains / (losses) on defined benefit pension scheme	566	-	566
Gain on revaluation of fixed assets	-	-	-
Net movement in funds	789	(4)	785
Reconciliation of funds			
Total Funds brought forward	38,667	645	39,312
Total Funds carried forward	39,456	641	40,097