

# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

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# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT

### INTRODUCTION FROM THE CHAIR OF THE BOARD OF TRUSTEES

The Board of Trustees approved a bold new mission in May 2022:

To save wildlife and empower people in Scotland and around the world to protect,  
value and love nature

In just 18 months we have not only laid the foundations for the achievement of our mission, but we have made very considerable progress.

We have made a remarkable start to implementing our bold pledge to reverse the decline of 50 species by 2030 with RZSS conservation teams currently working with 28 endangered species. This includes achievements such as the first release of wildcats and dark bordered beauty moths in the UK. Our zoos continue to work in partnership with the European Association of Zoos and Aquaria (EAZA) to support a wide variety of conservation breeding programmes.

RZSS welcomed 610,000 visitors to Edinburgh Zoo (the highest level since 2015) and 124,000 to the Highland Wildlife Park. We hosted 26,000 school learners to our parks and visited a further 7,500 pupils in their schools. In addition, 89,000 people engaged with our digital learning environment. We continue to work to improve accessibility to our sites with the installation of a changing places toilet at Edinburgh Zoo, provision of scooters, strollers and all terrain wheelchairs and by implementing recommendations from three accessibility surveys. We are committed to improving the experience of our visitors and have developed a new website with an improved ticketing journey, improved our signage and interpretation using a bright new brand and created a new guidebook and map. It has also been very exciting to watch the construction of three new visitor hubs at the Highland Wildlife Park which will transform the visitor experience as visitors are immersed in nature with stories of Scotland's wildlife in the past, present and future.

We welcomed over 500 community groups (including 77 in the Highlands), broadening their access to nature. We have provided an increased number of volunteering opportunities, promoting wellbeing, and developing training and employment skills.

There is so much more, in the pages to follow and in this year's Impact Report.

2023 has also been a very successful year from a financial standpoint. Favourable visitor numbers, strong retail sales and continued success in fundraising have generated a surplus in our core activities of £1.1m. These funds are supporting continued investment in our mission, including investment in a solar meadow at Edinburgh Zoo, and supporting our outstanding and dedicated staff with a commitment to paying the real Living Wage. In addition, we have been working closely with funders who provided restricted funding. As a result of significant grants from the National Lottery, NatureScot, Highlands and Islands Enterprise and the Cairngorm National Park Authority there was a surplus in restricted funds of £2.4m. These funds are being invested in three new visitor hubs at the Highland Wildlife Park, a visionary development in this, the Park's 50<sup>th</sup> anniversary.

We are very grateful to all our funders, donors and sponsors for their generosity and commitment to our mission. We also value immensely the continued support of our 45,000 members and patrons.

There is much more to be done. Nature needs us more than ever. I am inspired however by our progress and am looking forward to the year ahead.

***Professor Mary Bownes***

**Chair**

**May 2024**

THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND  
TRUSTEES' ANNUAL REPORT



# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT

### VISION, MISSION AND PLEDGES

The Royal Zoological Society of Scotland (RZSS) is a wildlife conservation charity with a bold vision:

A WORLD WHERE NATURE IS PROTECTED, VALUED AND LOVED.

With more than a million species at risk of extinction, our planet's life support system is in crisis. This is why the new RZSS strategy, launched in 2022, includes three ambitious pledges.

- The first pledge is to **reverse the decline of at least 50 species by 2030**, from pine hoverflies and wildcats in the Cairngorms National Park, to chimpanzees in Uganda, giant anteaters in Brazil and many more.
- We cannot achieve our vision alone, nature needs us to act together. This is why we have also pledged to **create deeper connections with nature for more than a million people by 2030**. Making nature more accessible is fundamental because people protect and value what they love and understand. Edinburgh Zoo and Highland Wildlife Park are our gateways to the natural world through which people can experience nature. They can learn about the challenges facing wildlife and discover how we harness our expertise in conservation science and animal care to save species from extinction. Our zoos will therefore be the cornerstones of our pledge.
- **Our third pledge is to enable more than 100 communities to better protect nature by 2030**. Stronger communities have a greater capacity to care for wildlife – through our zoos and our global reach we can help people realise the mental and physical health and wellbeing benefits of being close to nature.

Now is the time to work more collaboratively than ever before, using the skills and experience of all who hold nature dear.

Now is the time to win hearts and minds, ensuring everyone recognises the true value of nature and its crucial role in our health, wellbeing, prosperity and happiness.

Now is the time to inspire and empower people and communities to love and protect nature for today, tomorrow and generations to come.



# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

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### ACHIEVEMENTS

#### Conservation and science

##### RZSS aims to assist with the recovery of 50 species globally by 2030

- **Restoring species**  
RZSS will reverse the decline of threatened species, working in partnership to ensure biodiversity recovery is a driver for wider environmental restoration
- **Zoos for conservation breeding and support**  
RZSS zoos will raise their conservation impact by maintaining animal populations in support of conservation breeding for release programmes linked to our wildlife restoration work and other internationally recognised conservation action plans and seek to drive increased funding to RZSS conservation activities in the wild
- **Advancing species recovery science**  
RZSS will increase our capacity, application and sharing of expertise in species recovery science
- **Our wilding responsibility**  
RZSS will strengthen the natural biodiversity of all our sites

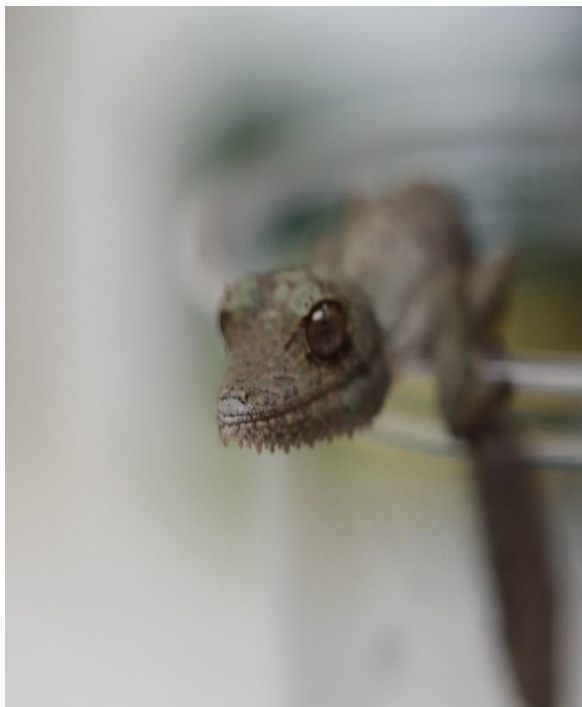
#### In 2023:

##### Restoring species

- 28 threatened species (with all species being assessed for preservation of their genetic diversity in line with United Nation Convention on Biological Diversity COP15 targets) have been identified. The RZSS conservation team are actively working with 22 including eight in Scotland and 14 around the globe.
  - **Pine hoverfly**, *Blera fallax* (Scotland)
  - **Dark bordered beauty moth**, *Epione vespertaria* (Scotland)
  - **European medical leech**, *Hirudo medicinalis* (Scotland)
  - **Pond mud snail**, *Omphiscola glabra* (Scotland/ East Lothian)
  - **Small scabious mining bee**, *Andrena marginata* (Scotland /Highland Wildlife Park)
  - **Eurasian beaver**, *Castor fiber* (Scotland)
  - **Wildcat**, *Felis silvestris* (Scotland)
  - **Capercaillie**, *Tetrao urogallus*, (Scotland)
  - **Dama gazelle**, *Nager dama* (Sahel, global scale)
  - **Addax**, *Addax nasomaculatus* (Sahel, global scale)
  - **Scimitar-horned oryx**, *Oryx dammah* (Chad, global scale)
  - **Giraffe**, *Giraffa camelopardalis* (Northern giraffe population/subspecies/species)
  - **Wolf**, *Canis lupus* (Himalayan wolf population/subspecies/species) (Nepal)
  - **Nubian ibex**, *Capra nubiana* (Oman)
  - **Pallas's cat**, *Otocolobus manual*, (Central Asia, global scale)
  - **Asian elephant**, *Elephas maximus* (Cambodia)
  - **Giant armadillo**, *Priodontes maximus*, (Brazil)
  - **Giant anteater**, *Myrmecophaga tridactyla*, (Brazil)
  - **Chimpanzee**, *Pan troglodytes*, (Uganda)
  - **Siamese crocodile**, *Crocodylus siamensis*, (Cambodia)
  - **Roti Island snake-necked turtle**, *Chelodina mccordi* (Indonesia (Lesser Sunda Is.); Timor-Leste, global scale)
  - **Northern rockhopper penguin**, *Eudyptes moseleyi* (Tristian da Cunha)

# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT



**Henkels leaf tailed gecko hatchling**



**Wildcat in pre-release enclosure**



**Dark bordered beauty moth release**

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- A historical milestone was achieved as 22 critically endangered **wildcats** were released into the Cairngorms National Park. This was the first ever conservation translocation of wildcats in Britain. The wildcats are being carefully monitored using GPS radio collars. The project has involved extensive preparation, widespread engagement with local communities and draws upon global conservation and scientific expertise to understand wildcat ecology and behaviour.
- The first ever release of **dark bordered beauty moths** took place following a successful first breeding season in 2022, in which 40 eggs collected in the wild were transferred to a purpose-built breeding facility at the Highland Wildlife Park. The release was into a specially selected site in the Cairngorms. Establishing new populations of this species is vital, as habitat loss has meant there are currently only three small populations across Britain – two in Scotland and one in England.
- Hundreds of **Polynesian tree snails** were translocated to French Polynesia to be reintroduced to the wild.
- The **pine hoverfly** project, which successfully released pine hoverflies into three sites in October 2021 and March 2022 won the RSPB Nature of Scotland Innovation award.
- Recovery will be measured using a **species recovery curve** method developed by RZSS to establish baselines and targets and measure progress towards our conservation objective.

### Zoos for conservation breeding and support

- The Edinburgh Zoo and Highland Wildlife Park animal collection planning process continued to support conservation breeding for release programmes linked to our wildlife restoration work. The collection planning process looks at how each species contributes to our strategic goals and how it aligns with our responsibilities as a member of EAZA. Arrivals to both parks included yak, vicuña, Trinidad stream frogs and galahs. In addition, there were many births and hatchings, the most notable being the Henkel's leaf-tailed geckos, rockhopper and gentoo penguins, Waldrapp ibis, our first red-fronted macaw chick in 20 years, arctic fox cubs, elk twins and Visayan warty piglets.

### Advancing species recovery science

- The RZSS WildGenes team contributed to the downlisting of the **scimitar-horned oryx** from Extinct in the Wild to Endangered on the IUCN Red list. Genetic analysis by the RZSS WildGenes team supported the creation of a genetically diverse population which became the nucleus for the successful releases in Chad.
- The Pallas' cat International Conservation Alliance (PICA), a collaboration between RZSS, Nordens Ark of Sweden, the Snow Leopard Trust and Foundation Serge, published monitoring guidelines for **Pallas's cat**.
- RZSS WildGenes team hosted HRH Princess Anne to celebrate over 10 years of ground-breaking research and the extension of a vital partnership to protect giraffes in the wild.

### Our wilding responsibility

- The **Biodiversity Action Plan** for Highland Wildlife Park was implemented and progressed to enhance natural habitats, protect peatland and develop habitats for the resident small scabious mining bee and wading birds.



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### Engagement

#### **RZSS will create stronger connections with nature for more than a million people by 2030**

- **Wild opportunities**  
RZSS will provide opportunities for more people from diverse backgrounds to positively experience nature
- **Emotional connections with nature**  
RZSS will increase connections to the wild by enabling people to form stronger bonds with nature
- **Empowering through learning**  
RZSS will increase knowledge and understanding of the natural world to enable people to support and protect nature
- **Influencing to support nature**  
RZSS will influence communities, groups, individuals, organisations and public policy to take positive actions for the environment and nature

#### **In 2023:**

##### **Wild opportunities**

- Edinburgh Zoo welcomed 610,000 visitors in 2023, an increase of 4% on 2022 and the highest level since 2015 reflecting continued demand. At the Highland Wildlife Park, the number of visitors was 124,000, an 18% decrease from 2022.
- During the year there have been three accessibility surveys carried out at Edinburgh Zoo by AccessAble, VocalEyes and Scottish Autism. All three surveys have revealed ways to improve the site and communications.
- Training to support accessibility and inclusion has been rolled out to various staff including Sighted Guide Training from Guide Dogs Scotland, Disability Awareness from Able2Adventure, Communications from VocalEyes and the roll out of Autism Awareness Training to frontline staff using iHasco.

##### **Emotional connections with nature**

- The Discovery Team developed and implemented new talks, tours and sessions in addition to roving and exhibit oversight duties. The onsite daily talks reached 100,000 visitors across our two sites with the rangers providing more than 30,000 hours of roving engagement to support our visitors.
- As part of the interpretation and experience project, the visitor journey from the zoo car park to admissions was completely redesigned to reflect the new brand and enhance the visitor experience.
- Animal enclosures at the zoo were updated with bright new interpretation and header boards adding real impact and helping wayfinding. In addition, Living Links interpretation was updated in a joint project with the University of St Andrews. The updated look and feel shares information about the research, science, animals and people in a fun way, focussed on a zoo audience.

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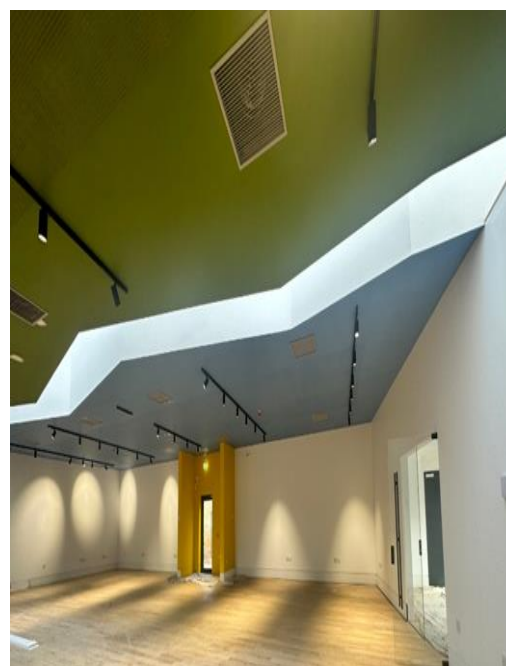
## TRUSTEES' ANNUAL REPORT



**Outdoor learning**



**Ranger Dan with a wolf skull**



**New Discovery Hub at the HWP**

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- New conservation education resources focusing on Saving Wildcats and capercaillies were launched. The two-part 'We are Saving Wildcats' session was offered for free to schools local to the Highland Wildlife Park. These wildcat sessions marked a return to proactive formal outreach and will be just one of the ways we tackle the challenge of transport and logistical costs for school visits.

### **Empowering through learning**

- There were 26,000 school learners at Edinburgh Zoo and the Highland Wildlife Park. Following the relaxation of covid restrictions a new onsite programme was launched at Edinburgh Zoo, in partnership with Edinburgh City Council and our relationship with Kingussie High School has been further developed, enabling them to make frequent visits to both Edinburgh Zoo and the Highland Wildlife Park.
- Schools outreach continued with 'Science in the Language' classes being delivered to nearly 7,500 (2022: 6,064) students in schools in Isle of Arran, Isle of Lewis, Aberdeen, Aberdeenshire, Highlands, Fife, Glasgow, Midlothian, East Lothian and Edinburgh. This programme gives pupils the opportunity to learn about South America (and the giant armadillo), China (its culture, language and geography as well as the giant panda, red panda and other Chinese animals in the RZSS collection) and Gaelic (with resources linked to the wildcat).
- The RZSS digital learning environment ZOOdle has gone from strength to strength this year, finishing 2023 with a total of over 1.4m page views (2022: 935k) from over 89,000 visitors (2022: 75,000) across all 7 continents. This means that every user to our website is performing an average of 16 interactions during their visits, which is fantastic engagement! We finished the year with 5,005 individual learning resources across the website, spread over 240 different pages.
- Our delivered sessions demonstrate an average increase of 15% in nature connectedness from a representative sample of 1205 learners across 241 sessions. When we look at leader feedback, they perceive a larger 24% increase in nature connectedness for their learners.
- Through partner funded bursary school programmes, we have been able to support more than 1000 learners overcome barriers, such as the cost of travel and engage with nature across both sites. This led to a significant immediate increase in nature connectedness for these groups.

### **Influencing to support nature**

- CEO, David Field, was appointed as Vice President of the World Zoo and Aquarium Association (WAZA). David also continues as a Trustee of the British Association of Zoos and Aquarium (BIAZA) and as a council member of EAZA.
- RZSS expertise also provides unique insight into many environmental and conservation groups including: the Scottish Beaver Forum, the Nation Reintroduction Forum and the IUCN Species Survival Commission specialist groups.

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### Community

#### **RZSS will enable more than 100 communities to better protect nature by 2030**

- **Improving wellbeing through nature**  
RZSS will improve the wellbeing of communities, groups and individuals through access to nature
- **Volunteering for nature**  
RZSS will enable communities, groups and individuals to enhance life-skills, opportunities and wellbeing through volunteering
- **Our zoos as a community resource**  
Our zoos will be a resource to support local initiatives and strengthen communities, harnessing the unique convening power of nature
- **Our zoos as a scientific resource**  
Our zoos will be a widely accessed scientific resource to deepen our connection with the natural world through increased knowledge and understanding
- **(Net) Zero carbon zoos**  
RZSS will reduce our carbon footprint by 60% by 2030 and develop a strategy to be net zero by 2040
- **The RZSS Family**  
RZSS will create an RZSS community in Scotland and across the world, in support of nature

#### **In 2023:**

##### **Improving wellbeing through nature**

- Onsite community sessions saw us reach over 10,000 individuals from 500 different community groups which includes 77 across the Highlands. We strengthened partnerships with Edinburgh Children's Hospital Charity (EHC) and Cyrenians while building new relationships with the Multicultural Family Base, Dreghorn Barracks and the British Deaf Association. The Into the Zoo programme and Friday Friends programmes were a huge success, focusing on youth with different additional support needs. Our support for refugees continued with free access (2,500 individuals visited across both parks).

##### **Volunteering for nature**

- RZSS benefits significantly from the active support of volunteers both at Edinburgh Zoo and the Highland Wildlife Park. The work and dedication of our volunteers makes a huge difference and we thank them for all they do. Without their time, effort and unfaltering commitment to our cause we simply could not deliver the levels of informal public engagement with visitors throughout the year.

Volunteers undertake a wide range of activities which include supporting staff, visitor engagement, assisting with formal education sessions, acting as animal wardens and general administration. Volunteers are required to attend training and are subject to appropriate oversight to ensure they remain safe and follow our policies and procedures.

During the year volunteers increased in number (Edinburgh Zoo: 154 and Highland Wildlife Park: 6).



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**Installation of solar panels**



**Students from the University of Highlands and Islands**

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- Nature Connections, an accessible, inclusive weekly community volunteer group was established at Highland Wildlife Park. The programme hosts individuals with a variety of additional support needs from local care providers (Caberfeidh Horizons, Richmond and LGSC Care) and provides a safe, supported and fun space for everyone to have new experiences, meet new people and spend time outside while contributing to conservation activities.

### **Our zoos as a community resource**

- We expanded our outreach capacity, reaching over 1000 individuals outside of the zoo in sessions, talks and workshops. Standouts include weekly sessions with EHC at the Royal Hospital for Children and Young People and family workshops at Dreghorn Barracks.
- Edinburgh Zoo sponsored the Local Hero Awards to recognise the importance of community “heroes”.

### **Our zoos as a scientific resource**

- At least six peer reviewed publications, including on wildcats, beavers and scimitar-horned oryx.
- Research programme continued in partnership with St Andrews University at Living Links and the Budongo Research Unit.
- Edinburgh Zoo hosted events for the Royal Society of Edinburgh (RSE) and Edinburgh Science Festival.

### **(Net) Zero carbon zoos**

- The solar meadow installation began. Developed in partnership with energy provider EON, the facility will generate around 25% of the electricity used by Edinburgh Zoo each year.
- At the end of July, we had our annual external ISO14001 audit (with only two opportunities for improvement and three minor non-conformances).
- Our sustainability newsletter, APE vine, was sent out to all staff, including updates from the green team and from HR on the re-launch of the Bike to Work scheme. Additional bike storage facilities were installed on both sites, to encourage active travel to our sites for both visitors and staff.

### **The RZSS family**

- Membership levels increased during the year to close to 45,000 which is a record and up by 13% on 2022. This was reflective of increased promotional activity and a focus on membership retention. The new improved membership magazine was well received and members can now join and pay by direct debit via the new e-commerce website.

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### FINANCIAL REVIEW

#### Trading performance

##### Income

Visitor income increased by 11% in 2023 due to increased visitor numbers at Edinburgh Zoo and higher prices. Trading income from catering and retail increased by 17% reflecting strong growth in catering and continued improvements in retail premises.

Grants, donations and legacies income was £2.9m higher than in 2022 reflecting the funding received for the development of three new visitor hubs at the Highland Wildlife Park. Events income decreased due to the lower level of events and the Giraffe About Town event that took place in 2022.

##### Principal income movements (£m)

Income 2022	£23.3
Visitors	£0.9
Trading (retail/catering)	£0.9
Grants, donations and legacies	£2.9
Events	-£0.6
Income 2023	£27.4

##### Expenditure

The main cost increase in 2023 was related to the additional volume of trading activity across both sites. Support costs increased by £0.8m including higher energy, maintenance, marketing and interest costs. Staff costs also increased significantly in the year with the implementation of a new pay and grading system and adoption of the real Living Wage.

The investment portfolio improved in 2023, delivering a surplus of £186k. The pension scheme remained in surplus allowing the cessation of contributions to the closed scheme.

Overall, we achieved a net surplus of £3.7m in 2023 (2022 £1.4m). The net movement in funds for the year, after taking account of the valuation of the pension fund, was a surplus of £3.5m (2022 £2.2m).

##### Principal expense movements (£m)

Expenditure 2022	£21.2
Trading (retail/catering)	£0.8
Living Collections	£0.3
Conservation	£0.5
Support Costs	£0.8
Visitor Services and Education	£0.5
Other Costs	£0.3
Events	-£0.5
Expenditure 2023	£23.9

#### Pension Scheme

RZSS operates two pension schemes: a defined benefit scheme which closed to future accrual with effect from 1 October 2008 and a defined contribution scheme established on 1 April 2008.

Members of the defined benefit scheme were offered membership of a new defined contribution scheme with effect from 1 October 2008. All core staff have been and continue to be offered the option to join the defined contribution scheme. Unless employees opt out, the minimum employee contribution is 4% of pensionable salary and RZSS matches contributions up to a maximum of 5%.

The financial results for the year reflect the results of the full actuarial valuation of the defined benefit pension scheme as at 31 March 2023, updated as at 31 December 2023 in accordance with the requirements of Financial Reporting Standard 102. Due to changes in market conditions, the scheme reported an asset of £1.6m (2022: £1.3m), however due to restrictions on being able to access this surplus, the actuary has recommended that a ceiling should apply and no asset is recognised in the accounts. Accordingly, the pension surplus/deficit is nil at 31 December 2023 (2022: nil).

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### Reserves Policy

The Board has established a reserves policy whereby free reserves should approximate to at least 3 months of the minimum resources required to sustain operations. This policy equates to approximately £2.9m. At this level the Board considers that it would be able to continue the current activities of RZSS in the event of a significant drop in funding.

Our charity's free reserves (excluding pension liabilities) are in a surplus of £3.1m (2022: £3.8m). The Board is committed to maintaining reserves in the future.

### Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information for the next 12 months, including current reserves and cash balances, forecast future cash flows and the impact of subsequent events in making their assessment. The Trustees have not identified any material uncertainty in respect of going concern that would impact on the continuing performance of the business.

### Investment powers and policy

Under the terms of the Royal Charter, RZSS has powers to invest. The trustees, having regard to the liquidity requirements of our charity and its reserves policy, hold a range of investments in order to secure a better rate of return than bank deposits.

Our investments are managed by our investment managers, Adam and Company. Trustees are mindful that certain investments bear a higher risk than others and have issued the Investment Manager with instructions to pay particular attention to the risk and volatility of our charity's portfolio relative to current market conditions. During 2023 the portfolio increased in value by 6% to £3.5 million. The Finance, Audit and Risk Management Committee receive regular reports and are satisfied with the performance of the portfolio during 2023 considering the general performance of the market.

During the year the Trustees developed and adopted a responsible investment policy. The policy sets out the parameters that govern how the Society can invest and is intended to ensure that our investments do not conflict with our mission. It requires that all investments both direct and indirect will be reviewed from an Environment, Social and Governance (ESG) perspective and this analysis will be fully incorporated into the investment decision making process. Opportunity to invest in companies whose activities and strategies are designed to protect the environment and to improve society, for example companies that have demonstrated strong delivery against the United Nations 17 Sustainable Development Goals, particularly in relation to those goals concerning climate change and environmental degradation, are actively sought. Conversely both direct investments and indirect investments (where there is a collective investment vehicle) are not permitted where the company makes more than 5% of revenues from or holds more than 5% of its net assets in excluded activities (including, animal testing, extractive industries, utility companies using fossil fuels, production of fossil fuel powered vehicles, tobacco, weapons and pornography and other activities that have a negative impact upon the environment or wildlife).

### Auditors

Following a tender exercise during 2022 Henderson Loggie LLP were re-appointed as our charity's external auditors. The work carried out by the auditors does not involve consideration of the publication of our financial results on our website.



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### PLANS FOR THE FUTURE

We will continue to build upon the progress and successes of the past year. In particular:

The **RZSS conservation team** will build on the considerable momentum that has been created.

- Each new breeding season provides an opportunity to reinforce and further strengthen populations.
- In addition, further species for recovery are being identified, including:  
*small cat species of the silk road (Central Asia),*  
*Nahan's partridge (Uganda),*  
*Bengal florican (Cambodia),*  
*Nile lechwe (Sudan),*  
*moon bears (Laos),*  
*blood-red long horned beetle (Scotland),*  
*threatened elasmobranch species (Scotland)*

The **RZSS engagement team** plan to:

- Perhaps the most significant development will be the opening of the three new visitor hubs at Highland Wildlife Park. Together with the plans to refurbish the existing visitor centre, these will transform the visitor experience.
- Enhance the visitor experience at Edinburgh Zoo by providing a larger mobility vehicle and additional charging facilities, improving car park infrastructure (bike shelter) and reviewing our queuing systems (creation of a second members gate).
- In addition, we will further develop engagement opportunities at both parks including using digital technologies across our sites, create new sessions such as 'discovery days', 'story time sessions', 'sunrise safari tours', 'tiny treks' and further development holiday and weekend programmes (including more affordable opportunities for learners and families).
- Further enhance outreach activities including the launch of the Edinburgh Childrens Hospital Charity meerkat project.
- Continue the roll out the new website (with improved branding and donation/membership sign up opportunities) and implement a new communications strategy (including a plan for enhanced public affairs and improved internal communication).
- Introduce bespoke retail ranges at both our sites, celebrating our living collections and environment.

There is also a significant programme of **infrastructure improvements** planned for Edinburgh Zoo. The new solar meadow is due to be commissioned in April 2024 and our catering facilities (Grasslands restaurant and the Penguin Parlour) are being refurbished. Extensive work is also planned on several enclosures to facilitate exciting changes in the living collection and the implementation of the site masterplan

Our **fundraising team** plan to launch a new Conservation Champion programme, an opportunity to allow people to give regularly to fund our ambitious conservation mission. In addition, funding is sought for the continuation of the Saving Wildcats project to secure the future of the project as a lasting legacy. The team will also be working closely with People Postcode Trust to ensure the continuation of their support and funding and further enhancing our legacy, corporate and Patron programmes. The achievement of our mission will require further funding. If you would like to join us by making a donation, leaving a gift in your will or becoming a member, please visit our website [rzss.org.uk/support-us](https://rzss.org.uk/support-us)

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Legal structure

RZSS was founded in 1909, instituted by Royal Charter in 1913 and in 1948 was granted by His Majesty King George VI the privilege of adding the prefix "Royal" to its name. Amendments to the Society's Charter and Statutes were approved by Her Majesty Queen Elizabeth II and the Privy Council in 1958, 1961, 1975, 2008 and 2015.

RZSS is registered as a charity with the Office of the Scottish Charity Regulator, registration number SC004064.

#### Significant activities

The principal activities of RZSS are the pursuit of conservation, education and research activities funded through grants and the surpluses generated from operating the two animal parks in Edinburgh and Kincaig.

RZSS owns and operates Edinburgh Zoo and the Highland Wildlife Park. The commercial activities are carried on by its wholly-owned subsidiary, Ark Enterprises Limited (Ark). Taxable profits generated by Ark are donated to RZSS under Gift Aid legislation.

#### Governance

The governance of RZSS is vested in its Trustees and Management. Trustees undertake their duties on an unpaid voluntary basis. The management team are paid employees of RZSS.

#### President

The President is appointed by the Board principally to act as an ambassador for RZSS. The President is not a member of the Board, is not a trustee and receives no remuneration.

#### Board Members

Members of the RZSS governing Board are the Trustees of the charity within the meaning of s106 of the Charity and Trustee Investment (Scotland) Act 2005 (the Act). The Board's role is to oversee the proper management and development of RZSS according to its aims and objectives, to ensure that RZSS complies with prevailing legislation and regulations and to make decisions on the key matters facing RZSS. The Board met formally six times during the year.

The Board consists of up to 12 members elected at Annual General Meetings and up to a further three members co-opted by the Board on the recommendation of the Nominations and Remuneration Committee to complement the skills of elected Board members. Immediately after the Annual General Meeting each year the Board appoints a Chairman and Vice-Chairman from its number.

Elected Board Members are appointed for a term of four years, are eligible for a further two terms of four years and, on the recommendation of the Nominations and Remuneration Committee, may be eligible for one further four-year term. No Board Member can serve for longer than 16 years in total.

If an elected member is, for whatever reason, unable to complete their term of appointment the Board may, on the recommendation of the Nominations and Remuneration Committee, co-opt a Member of RZSS to fill the vacancy until the end of the term. Board members co-opted based on their skills, may be co-opted for up to four years.

# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT

### ROYAL PATRON

HRH The Princess Royal

### PRESIDENT

Ian Marchant

### BOARD OF TRUSTEES

Professor Mary Bownes OBE, DPhil, CBiol, FRSB, FRES, FRSE	Chair
Dr Karen Blackport BSc, PhD, MBA	Vice Chair since April 2022 and Chair of Engagement and Community Advisory Group
Kerry Falconer FICBS, MBA	Chair of Business Advisory Group
Fiona Davis FICBS, ACA, BCom (Hons) Ω	Honorary Treasurer and Chair of Finance, Audit and Risk Management Committee
Sandy Batho MA, FCIPD ^	Chair of Nominations and Remuneration Committee
Peter Budd CBE, BSc, CEng, FICE, MI Struct E, FCIQB, FRSA	
John Fitzgerald BSc (Hons), FCIPD Ω ^	
Dr Deborah Long BA (Hons), PhD, FRSGS	Resigned May 2023
Karen MacEachern BSc, BVMS, PhD, Cert EM, MRCWS	Chair of Animal Welfare Advisory Group
Professor Alan Miller BSc, PhD, CPhys, FRSE, FIEEE, FOSA, FinstP Ω	Resigned May 2023
Dr Richard Rutnagur BA, PhD Ω	
Professor Roger Wheeler OBE, B.Biol, FRSB, FRSA, FRSGS, FRZSS, FRSE ^	Honorary Fellow
Andrew Kitchener	Chair of Conservation Advisory Group, Honorary Fellow
Katie Lennox BSc (Hons), MSc	
Simon Corcoran Ω	Appointed May 2023
Professor Anna Meredith OBE, MA, VetMB, PhD, CertLAS, DZooMed DipECZM, FRCVS	Co-opted September 2023
John Denerley DipSW	Appointed May 2023

### CHIEF EXECUTIVE

David Field BSc MBA

### INDEPENDENT COMMITTEE APPOINTMENTS

Aitken Ross	Independent member of the Finance, Audit and Risk Management Committee
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Ω member of the Finance, Audit and Risk Management Committee during the year

^ member of the Nomination and Remuneration Committee during the year

Other information on the charity is provided on page 50.

# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT

### Principal Committees

The Finance, Audit and Risk Management Committee, which met four times in the year, comprises one Board member as Chairman, three other members of the Board and at least one independent member. Its remit includes, but is not limited to:

- conducting the appointment and management of auditors and investment managers;
- reviewing the financial statements and recommending them to the Board for approval;
- Oversight of financial reporting and budgeting;
- monitoring implementation of recommendations in audit reports; and
- risk management, audit and investment policy and procedures

The Nominations and Remunerations Committee comprises one Board member as Chairman and two additional Board members. Its remit includes responsibility for identifying and recommending suitable individuals for election as Trustees and supporting the Chairman in reviewing board performance. It met three times during the year.

### Trustee Recruitment and Induction

In line with good governance the Board seeks to maintain a balanced mix of knowledge, skills and expertise to manage assets effectively. The Nominations and Remuneration Committee recommends potential candidates to the Board for co-option, having first met them and understood their potential contribution, and oversees the AGM nominations and election process.

Once elected or co-opted new Board members meet with the Chief Executive and Chairman and participate in a formal induction programme. This programme includes, among other things:

- a briefing on the Royal Zoological Society of Scotland's strategic plans;
- a briefing on their responsibilities as Trustees and the governance of RZSS;
- detailed briefings from each member of the Leadership team;
- précis of relevant policies; and
- familiarisation tours of Edinburgh Zoo and Highland Wildlife Park

Trustees are encouraged to attend external briefing events, seminars and meetings in support of RZSS from time to time as they are able. Contact between Executive team and the Board is encouraged through Executive team attendance at Committee meetings, trustee participation in working groups and informal meetings.

### Executive team

The Executive team is responsible for designing policies and procedures to support the strategies authorised by the Board, as well as managing the day-to-day operations of RZSS and its trading subsidiary.

During the year the Executive team comprised the Chief Executive Officer, the Director of Engagement and Business Development and Deputy CEO, the Chief Financial Officer and Director of Resources and the Director of People and Culture.



# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT

### **Risk Management**

The RZSS risk register is reviewed at each meeting of the Finance, Audit and Risk Management Committee and by the Board bi-annually, or as high priority risks emerge. The Board has conducted its annual review of the major risks to which RZSS is exposed and associated actions, procedures and contingency plans to mitigate those risks and is satisfied with the management of those risks.

The key risks in 2023 and mitigating actions have been identified as:

- the economic risk resulting from high inflation and a potential recession. In response visitor and income targets were set conservatively in 2023. A modest surplus was targeted. Bank borrowing remained in place and is providing increased liquidity.
- the impact of higher energy prices as our fixed term contract for electricity expired in October 2023. In response our budget for electricity has been significantly increased for the final two months of 2023. Brokers are engaged to monitor the markets and make recommendations on future tariffs.
- the risk of animal disease, in particular avian influenza. Actions have been taken to change working practices and make physical alterations to enclosures to reduce the potential spread of disease. These measures have been discussed with the relevant overseeing bodies.

### **Internal Control**

The Finance, Audit and Risk Management Committee oversees the operations of systems of governance, risk management and internal control.

Delivery of internal audit was outsourced to the end of 2021. The Committee and Board reviewed the delivery of this function and are now using the risk register as the driver for sourcing targeted external support for this area.

### **Remuneration of key management**

The Nominations and Remuneration Committee sets the pay level of the Chief Executive on an annual basis with reference to performance and relevant sector benchmarking. Other key management personnel are remunerated in accordance with the job evaluation process.

# THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND

## TRUSTEES' ANNUAL REPORT

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources of the charity 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 applicable Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

***Professor Mary Bownes***

**Chair**

**On behalf of the Board of Trustees**

**May 2024**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE ROYAL  
ZOOLOGICAL SOCIETY OF SCOTLAND  
FOR THE YEAR ENDED 31 DECEMBER 2023

**Opinion**

We have audited the financial statements of The Royal Zoological Society of Scotland (the 'parent charity') and its subsidiary ("the group") for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Statement of Financial Activities, the group and charity Balance Sheets, the group and charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023, and of its incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND**  
**INDEPENDENT AUDITOR'S REPORT FOR THE MEMBERS AND TRUSTEES OF THE ROYAL**  
**ZOOLOGICAL SOCIETY OF SCOTLAND**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:



**THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND**  
**INDEPENDENT AUDITOR'S REPORT FOR THE MEMBERS AND TRUSTEES OF THE ROYAL**  
**ZOOLOGICAL SOCIETY OF SCOTLAND**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: Zoo licensing, Health and Safety; employment law; and compliance with charity legislation.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board and sub-committee meetings;
- Reviewing relevant correspondence with regulators;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular with regard to investment property valuation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Henderson Loggie LLP* Chartered Accountants**

#### **Statutory Auditor**

Henderson Loggie LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.  
11 – 15 Thistle Street  
Edinburgh  
EH2 1DF

May 2024

**THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND**  
Consolidated Statement of Financial Activities  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	2	2,678,337	4,322,757	-	7,001,094	4,102,536
Charitable activities	3	12,992,471	61,401	-	13,053,872	12,105,077
Other trading activities	4	6,651,078	-	-	6,651,078	6,381,171
Investments	5	674,701	-	724	675,425	653,012
Other	6	29,851	-	-	29,851	29,799
<b>Total income and endowments</b>		<b>23,026,438</b>	<b>4,384,158</b>	<b>724</b>	<b>27,411,320</b>	<b>23,271,595</b>
<b>Expenditure on:</b>						
Raising funds (including cost of trading activities)	7	7,460,817	-	2,707	7,463,524	6,732,742
Charitable activities	8	14,416,759	1,986,051	-	16,402,810	14,464,193
<b>Total expenditure</b>		<b>21,877,576</b>	<b>1,986,051</b>	<b>2,707</b>	<b>23,866,334</b>	<b>21,196,935</b>
Gains/(losses) on investment assets	15,23	180,003	-	24,263	204,266	(702,046)
<b>Net income/expenditure</b>		<b>1,328,865</b>	<b>2,398,107</b>	<b>22,280</b>	<b>3,749,252</b>	<b>1,372,614</b>
<b>Other recognised gains/losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	28	(250,000)	-	-	(250,000)	838,000
Other gains/(losses)		-	-	-	-	5,495
<b>Net movement in funds</b>		<b>1,078,865</b>	<b>2,398,107</b>	<b>22,280</b>	<b>3,499,252</b>	<b>2,216,109</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 January 2023	21-23	20,688,482	8,644,212	494,762	29,827,456	27,611,347
<b>Total funds carried forward at 31 December 2023</b>	<b>21-23</b>	<b>21,767,347</b>	<b>11,042,319</b>	<b>517,042</b>	<b>33,326,708</b>	<b>29,827,456</b>

None of the Society's activities were acquired or discontinued during the above two financial years.

The notes on pages 29 to 49 form part of these financial statements.

THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND  
Statement of Financial Activities  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and legacies	2	2,678,337	4,322,757	-	7,001,094	4,102,536
Charitable activities	3	12,992,471	61,401	-	13,053,872	12,105,077
Other trading activities	4	779,004	-	-	779,004	843,393
Investments	5	1,511,455	-	724	1,512,179	1,635,199
Other	6	29,851	-	-	29,851	29,799
<b>Total income and endowment</b>		<b>17,991,118</b>	<b>4,384,158</b>	<b>724</b>	<b>22,376,000</b>	<b>18,716,004</b>
<b>Expenditure on:</b>						
Raising funds (including cost of trading activities)	7	2,271,143	-	2,707	2,273,850	2,109,648
Charitable activities	8	14,416,759	1,986,051	-	16,402,810	14,464,193
<b>Total resources expended</b>		<b>16,687,902</b>	<b>1,986,051</b>	<b>2,707</b>	<b>18,676,660</b>	<b>16,573,841</b>
Gains/(losses) on investment assets	15,23	180,003	-	24,263	204,266	(702,046)
<b>Net income/expenditure</b>		<b>1,483,219</b>	<b>2,398,107</b>	<b>22,280</b>	<b>3,903,606</b>	<b>1,440,117</b>
<b>Other recognised gains/losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	28	(250,000)	-	-	(250,000)	838,000
Other gains/(losses)		-	-	-	-	5,495
<b>Net movement in funds</b>		<b>1,233,219</b>	<b>2,398,107</b>	<b>22,280</b>	<b>3,653,606</b>	<b>2,283,612</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 January 2023	21-23	19,965,238	8,644,212	494,762	29,104,212	26,820,600
<b>Total funds carried forward at 31 December 2023</b>	21-23	<b>21,198,457</b>	<b>11,042,319</b>	<b>517,042</b>	<b>32,757,818</b>	<b>29,104,212</b>

None of the Society's activities were acquired or discontinued during the above two financial years.

The notes on pages 29 to 49 form part of these financial statements.

THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND  
Balance Sheets  
AS AT 31 DECEMBER 2023

	Notes	Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
<b>Fixed assets</b>	14	26,876,209	22,087,280	26,220,329	21,635,580
<b>Investments</b>	15	3,512,188	3,325,608	3,512,190	3,325,610
<b>Current assets</b>					
Stocks	16	493,576	462,422	148,901	118,299
Debtors	17	2,626,208	1,713,356	3,447,458	1,773,725
Cash at bank and in hand		7,156,911	10,463,735	6,605,051	10,241,018
		10,276,695	12,639,513	10,201,410	12,133,042
<b>Creditors: amounts falling due within one year</b>	18	(4,081,883)	(3,756,484)	(3,934,633)	(3,536,582)
<b>Net current assets / (liabilities)</b>		6,194,812	8,883,029	6,266,777	8,596,460
<b>Total assets less current liabilities</b>		36,583,209	34,295,917	35,999,296	33,557,650
<b>Creditors: amounts falling due after one year</b>	19	(3,241,478)	(4,453,438)	(3,241,478)	(4,453,438)
<b>Provision for other liabilities</b>	20	(15,023)	(15,023)	-	-
<b>Defined benefit pension scheme liability</b>	28	-	-	-	-
<b>Net assets</b>		33,326,708	29,827,456	32,757,818	29,104,212
<b>Funds</b>					
Unrestricted reserves					
General reserve	21	13,167,347	12,088,482	12,598,457	11,365,238
Revaluation reserve	21	8,600,000	8,600,000	8,600,000	8,600,000
Pension reserve	28,21	-	-	-	-
Total unrestricted reserves		21,767,347	20,688,482	21,198,457	19,965,238
Restricted funds	22	11,042,319	8,644,212	11,042,319	8,644,212
Endowment funds	23	517,042	494,762	517,042	494,762
		33,326,708	29,827,456	32,757,818	29,104,212

The financial statements were approved and authorised for issue by the Board on 18 April 2024

**Fiona Davis**

On behalf of the Board of Trustees

The notes on pages 29 to 49 form part of these financial statements.

THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND  
Cash Flow Statements  
FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Notes	2023 £	2023 £	2022 £	2022 £
<b>Net cash inflow from operating activities</b>	25		4,278,044		1,943,898
<b>Investing activities</b>					
Payments to acquire investments		(1,543,165)		(133,672)	
Payments to acquire tangible fixed assets		(6,755,067)		(2,632,815)	
Proceeds from disposal of investments		1,513,975		225,661	
Proceeds from disposal of tangible fixed assets		4,300		-	
Investment income		675,425		653,012	
			(6,104,532)		(1,887,814)
<b>Financing activities</b>					
Bank loans repaid		(1,198,411)		(1,209,691)	
Finance leases repaid		(16,812)		(17,107)	
Interest paid		(311,987)		(182,119)	
			(1,527,210)		(1,408,917)
<b>(Decrease)/Increase in cash</b>	27		(3,353,698)		(1,352,834)
<b>Opening cash and cash equivalents</b>			10,649,629		11,996,968
Change in cash due to exchange rate			-		5,495
<b>Closing cash and cash equivalents</b>			<u>7,295,931</u>		<u>10,649,629</u>

Charity	Notes	2023 £	2023 £	2022 £	2022 £
<b>Net cash inflow from operating activities</b>	25		2,821,859		3,620,106
<b>Investing activities</b>					
Payments to acquire investments		(1,543,165)		(133,672)	
Payments to acquire tangible fixed assets		(6,464,778)		(2,247,153)	
Proceeds from disposal of investments		1,513,975		225,661	
Proceeds from disposal of tangible fixed assets		4,300		-	
Investment income		1,512,179		1,635,199	
			(4,977,489)		(519,965)
<b>Financing activities</b>					
Bank loans repaid		(1,198,412)		(1,209,692)	
Finance leases repaid		(16,812)		(17,107)	
Interest paid		(311,987)		(182,119)	
			(1,527,211)		(1,408,918)
<b>(Decrease)/Increase in cash</b>	27		(3,682,841)		1,691,222
<b>Opening cash and cash equivalents</b>			10,426,912		8,730,195
Change in cash due to exchange rate			-		5,495
<b>Closing cash and cash equivalents</b>			<u>6,744,071</u>		<u>10,426,912</u>

The notes on pages 29 to 49 form part of these financial statements.



**THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND**  
Notes to the Consolidated Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2023

## Principal accounting policies

### Basis of preparation

The Royal Zoological Society of Scotland is a charity instituted by Royal Charter with the registered address as at Page 50.

The financial statements have been prepared under the historical cost convention with the exception of revalued investment assets and investment property and are in accordance with applicable accounting standards, including the Statement of Recommended Practice FRS102 (SORP FRS102) "Accounting and reporting by charities" and in accordance with Financial Reporting Standard 102 (FRS102). Under FRS102 the Society is a public Benefit Entity.

The financial statements are presented in sterling (£), rounded to the nearest pound, which is the functional currency of the charity.

### Going Concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, for 12 months from the date of approval of the financial statements, including current reserves and cash balances, forecast future cash flows and the impact of subsequent events in making their assessment. The Trustees have not identified any material uncertainties in respect of going concern and have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The financial statements do not include any adjustment that may arise in the event that the charity is unable to realise its assets and discharge its liabilities in the normal course of business.

### Consolidation

The accounts consolidate the results and net assets and liabilities of the Society's wholly owned subsidiary company, Ark Enterprises Limited on a line for line basis. The investment is held at cost.

### Fixed assets

Assets that are considered to have a useful life of over a year are capitalised at cost. Fixed assets are included in the Balance Sheet at cost less depreciation. Capital items (other than computer hardware and software) costing less than £500 are written off to the Statement of Financial Activities (SOFA) in the period of acquisition. Items of computer hardware and software costing less than £250 are written off to the Statement of Financial Activities (SOFA) in the period of acquisition.

Gains/losses on disposal of assets are recognised in other income or expenditure on charitable activities.

Investment property is valued at open market value every five years by an external valuer. The Trustees review this value for reasonableness each year. All surpluses and deficits on valuation are transferred to a revaluation reserve and taken to the SOFA for the year. No depreciation or amortisation is provided in respect of investment properties.

### Depreciation

Depreciation is provided on all fixed assets with the exception of heritable land and investment properties, in the year in which the fixed assets are brought into use. The rates of depreciation are calculated so as to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Property:	Property Improvements	4-10 years
	New Buildings	25 years
Vehicles		4 years
Plant and Machinery		4-10 years
Office Equipment		4 years
Computer Software		3 - 5 years
Computer Hardware		4 years

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**Animals**

Animals are generally acquired by the Society from other zoological organisations at zero cost or bred in our parks, and a realistic valuation cannot be placed thereon. Many of the animals acquired are held in trust with other zoological societies at zero cost.

**Investments**

Investments comprise investments in quoted equity instruments which are measured at fair value. Changes in fair value are recognised in the SOFA in the year in which they arise.

**Stocks**

Retail stocks are valued at the lower of cost and estimated selling price less cost to sell. Animal feed is valued at cost.

**Debtors**

Short term debtors are measured at transaction price.

**Creditors**

Short term creditors are measured at transaction price.

**Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Capital grants and donations**

Assets funded by restricted reserves are capitalised and the depreciation is recognised as an expense of the restricted reserve.

**Employees**

Short term employee benefits and contributions to defined contribution pension plans are recognised as an expense in the period in which they are incurred.

**Pensions**

**Defined benefit pension scheme**

The Society operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Society.

Pension scheme assets are measured using bid price values at balance sheet date. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on AA-rated corporate bonds with a term and currency equivalent to that of the assets and liabilities of the pension scheme.

If the pension scheme is in deficit, the deficit is recognised in the balance sheet in full. Conversely, if the pensions scheme is in surplus, FRS102 only permits the recognition of the surplus in the balance sheet to the extent that it can be recovered through reduced contributions or through a refund. On the premise that the Society does not have an unconditional right to any surplus, a surplus cannot be recognised. Any movement in a scheme deficit is reflected in the SOFA.

**Defined contribution pension scheme**

The Society also operates a pension scheme providing benefits based on contributions. The employer matches contributions with those of employees up to a maximum of 5% of salary. Employer contributions are charged to the SOFA in the period to which they relate.

**THE ROYAL ZOOLOGICAL SOCIETY OF SCOTLAND**  
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**Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities

**Funds and reserves**

The Society has a number of restricted income funds to account for situations where donors require that their donations must be spent on a particular purpose or where funds have been raised for a specific purpose. Any surplus on these restricted income accounts are held as restricted reserves.

The Society has one permanent endowment fund, the J W Gibb Fund, which was established following the receipt of a legacy. The income is for the maintenance and upkeep of animals. This fund is held as an endowment reserve.

**Income and endowments**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that confirmation or probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Annual membership subscriptions are recognised in the period to which they relate. Subscriptions received that relate to future periods are treated as deferred income.

Income from investments is recognised in the SOFA in the year in which it is receivable.

The Society leases out part of its land to the east of Edinburgh Zoo. This income is recognised in the SOFA in the year in which it is receivable.

**Donated goods, facilities and services**

Donated services and facilities are recognised as income when the charity has control over the item(s), any conditions attached have been met, the receipt of economic benefit from the use of the item(s) is probable and the economic benefit can be measured reliably. In accordance with Charity SORP (FRS 102), volunteer time is not recognised. Their contribution is however highlighted in the Trustees' Report.

On receipt, donated goods, services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have had to pay to obtain the equivalent economic benefit on the open market. A corresponding amount is also recognised as expenditure in the period of receipt.

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**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified as either expenditure on raising funds or expenditure on charitable activities. Expenditure on raising funds are the costs incurred in attracting voluntary income, in the catering and retail activities and investment management costs. Expenditure on charitable activities include expenditures incurred on animal welfare, education and conservation activities, the main charitable objectives of the Society.

**Expenditure allocation**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include the costs of Property and Estates, Finance and IT, Human Resources and Health and Safety. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

**Taxation and VAT**

The Society is recognised as a charity by HM Revenue and Customs for the purposes of the Corporation Tax Act 2000 part II and is exempt from income and corporation tax on its charitable activities. Consequently, no tax is payable on the surplus for the year.

The Society's wholly owned subsidiary, Ark Enterprises Limited, is not exempt from corporation tax. Any charge for taxation comprises current and deferred tax recognised in the year, where current tax is the amount of tax payable in respect of the taxable profit for the year or prior year. Deferred tax arises from timing differences that are differences between taxable profits and the profits stated in the financial statements. Current and deferred tax are calculated on the basis of tax rates and laws enacted by the year end. Ark Enterprises Ltd mitigates any tax payable by gift aiding its net distributable taxable profits to the Society within 9 months of the year end. These represent qualifying donations under s191 to s202 of the Corporation Tax Act 2010. No current tax is payable in 2023 with any movement in deferred tax due to timing differences.

The Society is subject to a partial VAT exemption. Accordingly all expenditure is stated inclusive of irrecoverable VAT where applicable.

**Leasing and hire purchase commitments**

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the SOFA in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the SOFA on a straight line basis over the lease term.

**Foreign Exchange**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denoted in foreign currencies are translated using the contract rate or the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the statement of financial activities.

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**Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Society's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- Fixed assets are also assessed as to whether that are indicators of Impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.

The following are the group's key sources of estimation uncertainty:

The value of the asset/liability in the defined benefit pension fund is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the liabilities, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future pension increases are based on expected future inflation rates.



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## 2 Donations and legacies

Group	Unrestricted	Restricted	Endowment	2023	2022
	£	£	£	£	£
Grants	808,072	3,807,537	-	4,615,609	1,496,529
Donations	1,805,494	504,248	-	2,309,742	1,725,451
Legacies	64,771	10,972	-	75,743	880,556
	<u>2,678,337</u>	<u>4,322,757</u>	<u>-</u>	<u>7,001,094</u>	<u>4,102,536</u>
Year end 31 December 2022	<u>1,963,052</u>	<u>2,139,484</u>	<u>-</u>	<u>4,102,536</u>	
<b>Charity</b>					
Grants	808,072	3,807,537	-	4,615,609	1,496,529
Donations	1,805,494	504,248	-	2,309,742	1,725,451
Legacies	64,771	10,972	-	75,743	880,556
	<u>2,678,337</u>	<u>4,322,757</u>	<u>-</u>	<u>7,001,094</u>	<u>4,102,536</u>
Year end 31 December 2022	<u>1,963,052</u>	<u>2,139,484</u>	<u>-</u>	<u>4,102,536</u>	

The Society received the following Government grants:	2023	2022
	£	£
Cairngorm National Park Authority	67,012	14,000
Department of Business, Energy and Industrial Strategy	1,950	-
Forest and Land Scotland	20,000	20,000
Highlands and Islands Enterprise	751,208	72,213
NatureScot	1,565,047	150,891
National Lottery Fund	1,456,538	-
Visit Scotland	-	59,600
	<u>3,861,755</u>	<u>316,703</u>

In April 2006 rules regarding the Government's Gift Aid scheme were changed resulting in the Society asking all visitors for a voluntary donation in addition to the standard admission price. This voluntary donation enabled the Society to reclaim tax from the Government on the total paid by the visitor.

## 3 Income from charitable activities

Charity and Group	Unrestricted	Restricted	Endowment	2023	2022
	£	£	£	£	£
Admissions - Edinburgh Zoo	7,778,460	-	-	7,778,460	6,686,291
Admissions - Highland Wildlife Park	1,582,025	-	-	1,582,025	1,760,957
Animal adoption	153,340	-	-	153,340	211,504
Membership subscriptions	2,456,603	-	-	2,456,603	2,555,066
Education	307,246	170	-	307,416	255,141
Conservation	11,997	61,231	-	73,228	66,205
Other income	702,800	-	-	702,800	569,913
	<u>12,992,471</u>	<u>61,401</u>	<u>-</u>	<u>13,053,872</u>	<u>12,105,077</u>
Year end 31 December 2022	<u>12,039,234</u>	<u>65,843</u>	<u>-</u>	<u>12,105,077</u>	

## 4 Income from other trading activities

Group	Unrestricted	Restricted	Endowment	2023	2022
	£	£	£	£	£
Retail operations - Edinburgh Zoo	2,405,560	-	-	2,405,560	2,062,975
Retail operations - Highland Wildlife Park	350,978	-	-	350,978	443,465
Catering operations - Edinburgh Zoo	3,075,935	-	-	3,075,935	2,364,551
Catering operations - Highland Wildlife Park	330,332	-	-	330,332	379,259
Events	160,743	-	-	160,743	953,629
Other income	327,530	-	-	327,530	177,292
	<u>6,651,078</u>	<u>-</u>	<u>-</u>	<u>6,651,078</u>	<u>6,381,171</u>
Year end 31 December 2022	<u>6,381,171</u>	<u>-</u>	<u>-</u>	<u>6,381,171</u>	
<b>Charity</b>					
Events	86,496	-	-	86,496	283,807
Management recharge from subsidiary	510,000	-	-	510,000	489,999
Other income	182,508	-	-	182,508	69,587
	<u>779,004</u>	<u>-</u>	<u>-</u>	<u>779,004</u>	<u>843,393</u>
Year end 31 December 2022	<u>843,393</u>	<u>-</u>	<u>-</u>	<u>843,393</u>	

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**5 Investment Income**

<b>Group</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent from land & buildings	588,278	-	-	588,278	585,951
Income from listed investments	69,023	-	724	69,747	64,742
Interest	17,400	-	-	17,400	2,319
	<u>674,701</u>	<u>-</u>	<u>724</u>	<u>675,425</u>	<u>653,012</u>
Year end 31 December 2022	<u>653,012</u>	<u>-</u>	<u>-</u>	<u>653,012</u>	

<b>Charity</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rent from land & buildings	588,278	-	-	588,278	585,951
Income from listed investments	69,023	-	724	69,747	64,742
Interest	17,400	-	-	17,400	2,319
Charitable donation from Ark Enterprises Limited	836,754	-	-	836,754	982,187
	<u>1,511,455</u>	<u>-</u>	<u>724</u>	<u>1,512,179</u>	<u>1,635,199</u>
Year end 31 December 2022	<u>1,635,199</u>	<u>-</u>	<u>-</u>	<u>1,635,199</u>	

Included within the investment income of the charity is £836,754 (2022: £982,187) donated by the Charity's subsidiary, Ark Enterprises Limited, under the Government's Gift Aid scheme.

**6 Other Income**

<b>Group and Charity</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Utility recharge	24,860	-	-	24,860	27,586
Other	4,991	-	-	4,991	2,213
	<u>29,851</u>	<u>-</u>	<u>-</u>	<u>29,851</u>	<u>29,799</u>
Year end 31 December 2022	<u>29,799</u>	<u>-</u>	<u>-</u>	<u>29,799</u>	

**7 Expenditure on raising funds (including trading activities)**

<b>Group</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising	270,323	-	-	270,323	182,342
Membership	487,423	-	-	487,423	374,071
Retail operations - Edinburgh Zoo	1,442,484	-	-	1,442,484	1,317,803
Catering operations - Edinburgh Zoo	2,941,349	-	-	2,941,349	2,211,637
Retail operations - Highland Wildlife Park	261,453	-	-	261,453	289,160
Catering operations - Highland Wildlife Park	322,168	-	-	322,168	315,625
Corporation tax	(11,356)	-	-	(11,356)	-
Investment management costs	16,069	-	2,707	18,776	19,553
Other costs	172,220	-	-	172,220	488,870
Support costs (Note 9)	1,558,684	-	-	1,558,684	1,533,682
	<u>7,460,817</u>	<u>-</u>	<u>2,707</u>	<u>7,463,524</u>	<u>6,732,742</u>
Year end 31 December 2022	<u>6,729,749</u>	<u>-</u>	<u>2,993</u>	<u>6,732,742</u>	

<b>Charity</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fundraising	220,323	-	-	220,323	374,071
Membership	487,423	-	-	487,423	182,342
Corporation tax	(11,356)	-	-	(11,356)	-
Investment management costs	16,069	-	2,707	18,776	19,553
Support costs (Note 9)	1,558,684	-	-	1,558,684	1,533,682
	<u>2,271,143</u>	<u>-</u>	<u>2,707</u>	<u>2,273,850</u>	<u>2,109,648</u>
Year end 31 December 2022	<u>2,106,655</u>	<u>-</u>	<u>2,993</u>	<u>2,109,648</u>	

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**8 Expenditure on charitable activities**

Charity and Group	Unrestricted £	Restricted £	2023 £	2022 £
Animal welfare	4,234,743	321,993	4,556,736	4,216,275
Education	1,010,256	81,656	1,091,912	845,932
Marketing	565,720	8,226	573,946	471,966
Visitor Services	1,138,051	263,075	1,401,126	1,253,649
Events	397,760	-	397,760	585,855
Genetics Unit - Edinburgh Zoo	329,815	-	329,815	261,566
Conservation and Science	862,058	1,311,101	2,173,159	1,713,242
Support costs (Note 9)	5,878,356	-	5,878,356	5,115,708
	<u>14,416,759</u>	<u>1,986,051</u>	<u>16,402,810</u>	<u>14,464,193</u>

Year end 31 December 2022

<u>13,023,711</u>	<u>1,440,482</u>	<u>14,464,193</u>
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Expenditure on charitable activities includes the following grants:

	Unrestricted £	Restricted £	2023 £	2022 £
Budongo Conservation Field Station	86,116	92,792	178,908	80,142
Instituto de Pesquisas Ecologicas	28,328	20,000	48,328	13,147
Thomas Docherty Bone	5,000	-	5,000	8,086
Nordens Ark	-	-	-	40,241
	<u>119,444</u>	<u>112,792</u>	<u>232,236</u>	<u>141,616</u>

**9 Support costs**

Charity & Group	Raising funds £	Charitable activities £	2023 £	2022 £
Property, Estates and Works	853,556	2,974,157	3,827,714	3,521,974
Health and safety	15,532	54,120	69,652	63,242
Gardening	-	447,226	447,226	370,970
Chief Executive's Office	219,033	763,208	982,241	611,219
Finance and IT	402,410	1,402,172	1,804,582	1,694,744
Human Resources	83,093	289,533	372,626	370,241
Net return on pension	(14,941)	(52,059)	(67,000)	17,000
	<u>1,558,684</u>	<u>5,878,356</u>	<u>7,437,041</u>	<u>6,649,390</u>

Year end 31 December 2022

<u>1,533,682</u>	<u>5,115,708</u>	<u>6,649,390</u>
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Support costs, with the exception of Gardening costs, are allocated to Raising Funds and Charitable Activities in accordance with the direct expenditure incurred in these areas.

Gardening costs are allocated directly to charitable activities on the basis that these costs are incurred in maintaining the parks, improving the experience of visitors and thus linked to the admission income earned.

Support costs include Governance costs of £216,406 (2022: £194,998).

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## 10 Analysis of staff costs

	<b>Group &amp; Charity</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	7,737,808	6,989,734
Social security costs	684,121	632,718
Cost of defined contribution pension scheme	279,079	248,125
Cost of defined benefit pension scheme	164,700	219,600
Other benefits	54,021	50,915
	<b>8,919,729</b>	<b>8,141,092</b>

During the year 2 (2022: 1) employees were either made redundant or had their contract of employment terminated. Redundancy and termination payments of £21,244 (2022: £2,394) were paid during the year.

The Society closed the defined benefit scheme to future accrual with effect from 30th September 2008. Employees ceased their contributions from that date although the Society continued to make contributions in line with the schedule of contributions agreed with the pension Trustees. Employees were offered membership of the defined contribution scheme with effect from 1 October 2008.

The Society opened a defined contribution pension scheme on 1 April 2008 with the Society matching contribution with those of employees to a maximum of 5% of salary. The assets of the defined pension contribution scheme are administered by an independent pension provider.

The average weekly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Full-time	211	203
Part-time	112	103
	<b>323</b>	<b>306</b>

The number of employees earning more that £60,000 were as follows:

	<b>Number</b>	<b>Number</b>
£130,000 - £139,999	1	-
£120,000 - £129,999	-	1
£90,000 - £99,999	2	-
£80,000 - £89,999	-	2
£60,000 - £69,999	2	1

## 11 Benefits received by key management personnel

Day to day management of activities is delegated by the Trustees to an Executive Team. During the year the Executive Team comprised the Chief Executive Officer, the Chief Financial Officer and Director of Resources, the Director of Engagement and Business Development and Deputy CEO, and the Director of People and Culture. The total employee benefits received by the Executive Team, excluding pension contributions, was £431,215 (2022: £359,563). All of these employees are members of the Society's defined contribution pension scheme. Pension contributions for the Executive Team totalled £17,185 (2022: £13,627).

## 12 Board of Trustees' remuneration and expenses

Trustees received no remuneration in respect of their services as trustees in either year.

In accordance with the Society's guidelines, Trustees may be reimbursed for properly incurred travel, subsistence and accommodation expenditure. In addition, the Society may also pay third parties directly for similar Trustee expenses. During the year a total of £358 (2022: £626) was reimbursed to five Trustees (2022: four Trustees) and expenditure of £645 (2022: £nil) was paid directly to third party suppliers.

During the year Trustees Indemnity insurance was in place for the benefit of the Trustees.

## 13 Operating Profit/(Loss)

Operating profit/(loss) is stated after charging:

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Auditor's remuneration</b>				
Statutory Audit	20,070	19,790	14,197	14,040
Assurance services and other audit	6,300	3,000	6,300	3,000
Tax advisory services	6,170	3,840	4,345	1,890
	<b>32,540</b>	<b>26,630</b>	<b>24,842</b>	<b>18,930</b>

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14 Fixed assets

Group	Heritable Land £	Investment Property £	Property £	Assets Under Construction	Computer Hardware £	Computer Software £	Office Equipment £	Plant & Machinery £	Vehicles £	TOTAL £
<b>Cost/Valuation</b>										
As at 1 January 2023	23,500	8,600,000	24,001,421	1,995,656	989,218	731,721	125,640	1,481,397	697,395	38,645,948
Additions	-	-	496,126	5,900,864	40,539	-	17,200	102,694	197,644	6,755,067
Revaluations	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	1,673,969	(1,718,693)	10,062	17,998	-	16,664	-	-
Disposals	-	-	-	-	-	(17,998)	(1,481)	-	(34,892)	(54,371)
AS AT 31 DECEMBER 2023	23,500	8,600,000	26,171,516	6,177,827	1,039,819	731,721	141,359	1,600,755	860,147	45,346,644
<b>Depreciation</b>										
As at 1 January 2023	-	-	13,976,054	-	626,155	555,885	75,091	829,597	495,886	16,558,668
Disposals	-	-	-	-	-	-	(926)	-	(34,892)	(35,818)
Charge for the year	-	-	1,422,129	-	132,630	97,389	17,453	180,647	97,337	1,947,585
AS AT 31 DECEMBER 2023	-	-	15,398,183	-	758,785	653,274	91,618	1,010,244	558,331	18,470,435
<b>Net book value</b>										
AS AT 31 DECEMBER 2023	23,500	8,600,000	10,773,333	6,177,827	281,034	78,447	49,741	590,511	301,816	26,876,209
As at 31 December 2022	23,500	8,600,000	10,025,367	1,995,656	363,063	175,836	50,549	651,800	201,509	22,087,280



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14 Fixed assets (continued)

Charity	Heritable Land £	Investment Property £	Property £	Assets Under Construction £	Computer Hardware £	Computer Software £	Office Equipment £	Plant & Machinery £	Vehicles £	TOTAL £
<b>Cost</b>										
As at 1 January 2023	23,500	8,600,000	23,099,184	1,995,656	975,740	728,001	121,245	1,387,646	697,395	37,628,367
Additions	-	-	221,423	5,900,864	32,321	-	17,200	95,326	197,644	6,464,778
Revaluation	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	1,673,969	(1,718,693)	10,062	17,998	-	16,664	-	-
Disposals	-	-	-	-	-	(17,998)	(1,481)	-	(34,892)	(54,371)
AS AT 31 DECEMBER 2023	23,500	8,600,000	24,994,576	6,177,827	1,018,123	728,001	136,964	1,499,636	860,147	44,038,774
<b>Depreciation</b>										
As at 1 January 2023	-	-	13,486,896	-	625,481	552,164	72,366	759,994	495,886	15,992,787
Disposals	-	-	-	-	-	-	(926)	-	(34,892)	(35,818)
Charge for the year	-	-	1,348,913	-	131,121	97,389	16,582	170,134	97,337	1,861,476
AS AT 31 DECEMBER 2023	-	-	14,835,809	-	756,602	649,553	88,022	930,128	558,331	17,818,445
<b>Net book value</b>										
AS AT 31 DECEMBER 2023	23,500	8,600,000	10,158,767	6,177,827	261,521	78,448	48,942	569,508	301,816	26,220,329
As at 31 December 2022	23,500	8,600,000	9,612,288	1,995,656	350,259	175,837	48,879	627,652	201,509	21,635,580

Land and buildings at 132 Corstorphine Road, Edinburgh have been stated at Trustees' valuation based on an independent valuation on an existing use basis at open market value of £8,600,000 as at 30 January 2020 by DM Hall, Chartered Surveyors. At 31 December 2022 the historic cost of the investment property was nil.

The net book value of motor vehicles held under finance leases was £49,902 (2022: £74,366). The depreciation charge for the year in relation to these assets held under finance leases amounted to £24,464 (2022: £23,480).

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**15 Investments**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Fair value of securities	3,139,714	3,933,749	3,139,716	3,933,751
Purchases	1,543,165	133,672	1,543,165	133,672
Disposal proceeds	(1,513,975)	(225,661)	(1,513,975)	(225,661)
Unrealised gain/(loss)	191,103	(649,446)	191,103	(649,446)
Realised gain/(loss)	13,163	(52,600)	13,163	(52,600)
Fair value of securities	3,373,170	3,139,714	3,373,172	3,139,716
Cash investments	139,018	185,894	139,018	185,894
Fair value of investments	3,512,188	3,325,608	3,512,190	3,325,610
Cost of investments	2,820,946	2,441,812	2,820,948	2,441,814

The Charity's investments include the investment in the subsidiary, Ark Enterprises Ltd and is stated at cost (note 32).

**16 Stocks**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Goods for resale	344,672	344,123	-	-
Consumable stores	148,904	118,299	148,901	118,299
	493,576	462,422	148,901	118,299

**17 Debtors**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	246,193	263,978	184,644	182,415
Other	153,413	1,025,621	153,413	1,025,621
Prepayments & accrued income	2,226,602	423,757	2,218,845	419,604
Amounts owed by subsidiary company	-	-	890,556	146,085
	2,626,208	1,713,356	3,447,458	1,773,725

**18 Creditors: Amounts falling due within one year**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	814,869	489,720	789,174	472,962
Social security and other taxes	209,440	195,014	209,441	195,015
Other creditors	55,384	71,781	55,384	71,781
Accruals	1,170,505	1,095,845	1,048,949	969,786
Finance leases (note 19)	13,549	16,814	13,549	16,814
Deferred income	565,582	634,756	565,582	557,670
Bank loan (note 19)	1,252,554	1,252,554	1,252,554	1,252,554
	4,081,883	3,756,484	3,934,633	3,536,582

Other creditors include outstanding pension contributions of £46,462 (2022: £44,397).

Deferred income includes membership, rental, grants and donation income where the condition for recognition will be met in future periods. The movement in deferred income is analysed as follows:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
As at 1 January 2023	634,756	971,958	557,670	837,231
Amounts released from previous years	(634,756)	(969,502)	(557,670)	(834,776)
Income deferred	565,582	632,300	565,582	555,215
As at 31 December 2023	565,582	634,756	565,582	557,670

**19 Creditors: Amounts falling due after one year**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Finance leases	33,377	46,926	33,377	46,926
Bank loan	3,208,101	4,406,512	3,208,101	4,406,512
	3,241,478	4,453,438	3,241,478	4,453,438

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**19 Creditors: Amounts falling due after one year (continued)**

The Society has entered into the following loans:

	Date	Loan £	Duration	Interest rate (%)	Security
Bank of Scotland	March 2020	2,000,000	20 years	BOE base + 2.35%	Land at 132 Corstorphine Road, Edinburgh and assignment of rents re lease of the Holiday Inn
Bank of Scotland	May 2020	5,000,000	6 years	BOE base +1.59%	Land and buildings at 132 and 134 Corstorphine Road, Edinburgh and assignment of rents re lease of the Holiday Inn
Scottish Government	June 2020	500,000	5 years	0.50%	Admissions building at 134 Corstorphine Road, Edinburgh
Third Sector Resilience Fund	May 2020	160,000	5 years	0.00%	None

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Bank loans are repayable as follows:				
Less than one year	1,252,554	1,252,554	1,252,554	1,252,554
Between one and two years	1,223,896	1,243,896	1,223,896	1,243,896
Between two and five years	728,355	1,848,355	728,355	1,848,355
In five years or more	1,255,853	1,314,261	1,255,853	1,314,261
	<u>4,460,658</u>	<u>5,659,066</u>	<u>4,460,658</u>	<u>5,659,066</u>

Financial commitments under finance leases and hire purchase contracts will result in the following payments.

	2023 £	2022 £
Minimum lease payments under finance leases falling due:		
Within one year	13,549	16,814
Within 2-5 years	33,377	46,926
	<u>46,926</u>	<u>63,740</u>

**20 Provision for other liabilities**

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Deferred tax	15,023	15,023	-	-
	<u>15,023</u>	<u>15,023</u>	<u>-</u>	<u>-</u>

**21 Unrestricted funds**

	As at 1 January 2023 £	Incoming resources £	Other gains/(losses) £	Pension £	Resources expended £	Transfer £	As at 31 December 2023 £
<b>Group funds</b>							
General reserve	12,088,482	22,959,438	180,003	-	(22,060,576)	-	13,167,347
Revaluation reserve	8,600,000	-	-	-	-	-	8,600,000
Pension reserve	-	67,000	-	(250,000)	183,000	-	-
<b>Group funds</b>	<u>20,688,482</u>	<u>23,026,438</u>	<u>180,003</u>	<u>(250,000)</u>	<u>(21,877,576)</u>	<u>-</u>	<u>21,767,347</u>
<b>Charity funds</b>							
General reserve	11,365,238	17,924,118	180,003	-	(16,870,902)	-	12,598,457
Revaluation reserve	8,600,000	-	-	-	-	-	8,600,000
Pension reserve	-	67,000	-	(250,000)	183,000	-	-
<b>Charity funds</b>	<u>19,965,238</u>	<u>17,991,118</u>	<u>180,003</u>	<u>(250,000)</u>	<u>(16,687,902)</u>	<u>-</u>	<u>21,198,457</u>
<b>Group funds</b>							
General reserve	11,566,384	21,083,268	(587,710)	-	(19,973,460)	-	12,088,482
Revaluation reserve	8,600,000	-	-	-	-	-	8,600,000
Pension reserve	(1,041,000)	(17,000)	-	838,000	220,000	-	-
<b>Group funds</b>	<u>19,125,384</u>	<u>21,066,268</u>	<u>(587,710)</u>	<u>838,000</u>	<u>(19,753,460)</u>	<u>-</u>	<u>20,688,482</u>
<b>Charity funds</b>							
General reserve	10,775,637	16,527,677	(587,710)	-	(15,350,366)	-	11,365,238
Revaluation reserve	8,600,000	-	-	-	-	-	8,600,000
Pension reserve	(1,041,000)	(17,000)	-	838,000	220,000	-	-
<b>Charity funds</b>	<u>18,334,637</u>	<u>16,510,677</u>	<u>(587,710)</u>	<u>838,000</u>	<u>(15,130,366)</u>	<u>-</u>	<u>19,965,238</u>

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**22 Restricted funds**

	As at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	AS AT 31 DECEMBER 2023 £
<b>Capital funds</b>	5,159,857	3,562,100	(501,660)	-	8,220,297
<b>Income funds</b>					
RZSS Conservation Fund	3,308	-	-	-	3,308
Scottish Wildcat Legacy	800,000	-	(10,000)	-	790,000
Budongo Conservation Field Station	127,441	165,836	(85,983)	-	207,294
Giant Armadillo Project (Pantanal)	77,158	3,941	(36,265)	-	44,834
Pallas Cat	59,185	33,657	(8,433)	-	84,409
EZ Education Fund	140,949	27,150	(60,417)	-	107,682
HWP Education Fund	2,575	-	-	-	2,575
Cambodian Genetic project	5,528	-	(1,407)	-	4,121
Heart of the Zoo award	1,315	1,250	(844)	-	1,721
Native Invertebrates	14,612	61,144	(32,967)	-	42,789
Nubian Ibex	(472)	-	-	-	(472)
RZSS Animal fund	5,286	1,560	(958)	-	5,888
Science Specialist Confucius classroom	13,322	23,370	(21,238)	-	15,454
SWA4Life	2,019,395	480,239	(1,081,292)	-	1,418,342
Flapper Skate	28,086	-	(12,847)	-	15,239
BBR CryoArks	15,114	-	(1,681)	-	13,433
Pine Hoverfly Captive Breeding	(11,755)	21,000	(9,142)	-	103
Siamese Crocodile	(1,339)	2,545	(8,772)	-	(7,566)
Prey Lang Elephant	2,081	-	-	-	2,081
Mekong Elephant Project	1,706	366	-	-	2,072
Gentoo Penguins	2,221	-	(1,729)	-	492
Interpretation	178,639	-	(110,416)	-	68,223
	3,484,355	822,058	(1,484,391)	-	2,822,022
	8,644,212	4,384,158	(1,986,051)	-	11,042,319

	As at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	As at 31 December 2022 £
<b>Capital funds</b>	4,779,543	752,088	(442,127)	70,353	5,159,857
<b>Income funds</b>					
RZSS Conservation Fund	2,353	960	(5)	-	3,308
Scottish Wildcat Legacy	-	800,000	-	-	800,000
Budongo Conservation Field Station	91,009	87,350	(50,918)	-	127,441
Giant Armadillo Project (Pantanal)	65,399	11,759	-	-	77,158
Pallas Cat	32,145	31,484	(4,444)	-	59,185
EZ Education Fund	141,466	133,500	(134,017)	-	140,949
HWP Education Fund	2,575	-	-	-	2,575
Accessible Zoo	4,500	-	-	(4,500)	-
Cambodian Genetic project	11,067	3,920	(9,459)	-	5,528
Inclusive Zoo	6,006	27,494	-	(33,500)	-
Cameroon frog and earthworm	-	3,586	(3,586)	-	-
Heart of the Zoo award	1,345	-	(30)	-	1,315
Native Invertebrates	6,131	-	(1,184)	9,665	14,612
Nubian Ibex	4,852	-	(5,324)	-	(472)
RZSS Animal fund	5,507	1,343	(1,564)	-	5,286
Science Specialist Confucius classroom	14,051	21,200	(21,929)	-	13,322
SWA4Life	2,373,785	303,483	(657,873)	-	2,019,395
Flapper Skate	2,505	-	(11)	25,592	28,086
BBR CryoArks	29,054	-	(13,940)	-	15,114
Pine Hoverfly Captive Breeding	7,446	2,350	(28,942)	7,391	(11,755)
Siamese Crocodile	(4,795)	16,457	(13,001)	-	(1,339)
Prey Lang Elephant	7,475	-	(5,394)	-	2,081
Mekong Elephant Project	(1,890)	6,069	(2,473)	-	1,706
Scottish Zoo and Aquarium Conservation Fund	75,001	-	-	(75,001)	-
Gentoo Penguins	-	2,285	(64)	-	2,221
Interpretation	222,837	-	(44,198)	-	178,639
	3,099,824	1,453,240	(998,356)	(70,353)	3,484,355
	7,879,367	2,205,328	(1,440,483)	-	8,644,212

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## 22 Restricted funds (continued)

The above fund balances at 31 December 2023 represent the net amounts available for restricted expenditure. More detail is given below for funds with significant balances.

### Capital funds

Capital funds have been invested in fixed assets, with depreciation being charged to the fund over the remaining life of the asset. During 2022, £38k was transferred into capital funds from the Accessible Zoo and Inclusive Zoo funds as these funds have been used to procure a changing places toilet facility at Edinburgh Zoo. In addition £32,353 was transferred into capital funds from the Pine Hoverfly Captive Breeding fund as these funds have been used to procure portacabin facilities for the project. There were no transfers in 2023.

### Income funds

**RZSS Conservation Fund** - represents funds from the British Herpetological Society and the Wildfowl and Wetlands Trust to support a project to translocate natterjack toads to Carsethorn on the Solway coast.

**Scottish Wildcat Legacy** - represents funds received from a legacy for the Scottish wildcat conservation project.

**Budongo Conservation Field Station** - represents funding received from research students going out to the Budongo Conservation Field Station (BCFS) in Uganda and grants from the Arcus Foundation to fund conservation and research activities at the BCFS.

**Giant Armadillo Project** - represents funding received from Prince Bernhard Nature Fund, Amneville Zoo, CEPA, CERZA, Natural Research and Seaworld, Kilverstone Wildlife Charitable Trust and Cerza Conservation for the ecological study of the secretive giant armadillo in the Pantanal wetlands of Brazil.

**Pallas Cat** - represents funds held as a species support fund on behalf of the European Pallas Cat Breeding Programme.

**EZ Education** - represents income from the City of Edinburgh Council, the Mickle Fund, the Cruden Foundation, the CRH Trust, Baillie Gifford and the Horseman Trust to support our education programmes.

**HWP Education Fund** - represents funding from the Gordon and Ena Baxter Foundation and the Russell Trust to develop the education programme at the Highland Wildlife Park.

**Accessible Zoo** - represents funding from The Nancy Roberts Charitable Trust and The Catherine Cookson Charitable Trust to support a project to make physical adaptations onsite and equip and train staff in order that Edinburgh Zoo is accessible to all regardless of ability. The funds have been transferred to capital funds as they are to be used to develop a changing places facility at Edinburgh Zoo.

**Cambodian Genetics project** - represents grant funding from Flora and Fauna International to develop the capacity of the Royal University of Phnom Penh's Conservation Genetics lab to deliver in-country genetics support for the conservation of threatened species in Cambodia.

**Inclusive Zoo** - represents funding from the Cruden Foundation, the Castansa Trust and Mitie to support a project to encourage children and young people from special schools to participate in the Edinburgh Zoo education programme. The funds have been transferred to capital funds as they are to be used to develop a changing places facility at Edinburgh Zoo.

**Cameroon Frog and Earthworm project** - represents grant funding from BIAZA and the Amphibian Survival Alliance to support the conservation of two critically endangered frogs species and one endemic earthworm in the grasslands of Cameroon.

**Heart of the Zoo Awards** - represents donations received from the family and friends of Rob Ollason, a former employee, to fund an annual award to recognise RZSS staff who in the view of their colleagues have shown the most consistent commitment to working to support the values of the Society and its mission statement.

**Native Invertebrates** - represents funding from the Craignish Trust and the Scottish Zoo and Aquarium Conservation Fund to support the conservation of endangered native invertebrates by rebuilding populations at sites in Scotland where the species have lived in the past.

**Nubian Ibex project** - represents grant funding from the Government of Oman to support a PhD student to undertake genetic monitoring of the Nubian Ibex.

**RZSS Animal Fund** - represents donations received on World Rhino Day to support the animal husbandry of the rhinos at Edinburgh Zoo and two immemorial donations in support of the animal husbandry and research of penguins at Edinburgh Zoo.

**Science Specialist Confucius Classroom** - represents grant funding from the Confucius Institute for Scottish Schools to support the set up and launch of a Confucius Classroom.

**SWA4Life** - represents grant funding from the European Commission Executive Agency for Small and Medium sized Enterprises and other Associated Beneficiaries (Cairngorm National Park Authority, Consejería de Medio Ambiente y Ordenación del Territorio de la Junta de Andalucía, Forestry and Land Scotland, Nordens Ark and Scottish Natural Heritage), People's Trust for Endangered Species, The National Trust for Scotland and the Scottish Zoo and Aquarium Conservation Fund to fund the SWA4Life project aimed at supporting wildcat recovery through threat mitigation and translocation.

**BBR CryoArks** - represents grant funding from National Museums Scotland to allow us to hold a frozen collection of non model and endangered animal taxa in our biobank facility at Edinburgh Zoo.

**Flapper Skate** - represents grant funding from the American Association of Zoo Veterinarians and the Scottish Zoo and Aquarium Conservation Fund to fund an investigation into the physiological responses of flapperskate to capture and surgical implantation of acoustic tags in Scotland.

**Pine Hoverfly Captive Breeding** - represents funding from Cairngorm National Park Authority and the Scottish Zoo and Aquarium Conservation Fund for the development of facilities and staff time on the pine hoverfly captive breeding project.

**Siamese crocodile** - represents grant funding from Flora and Fauna International to further develop the capacity of the Royal University of Phnom Penh's Conservation Genetics lab and thereby develop in country conservation of siamese crocodiles in Cambodia.

**Prey Lang Elephant** - represents funding from the Royal University of Phnom Penh to conduct genetic analysis of the Prey Lang Elephant.

**Mekong Elephant Project** - represents funding from the Royal University of Phnom Penh to conduct genetic analysis of the Mekong Elephant.

**Scottish Zoo and Aquarium Conservation Fund** - represents funding from the Scottish Zoo and Aquarium Conservation Fund for three conservation projects negatively impacted by the Covid pandemic; the Conservation Breeding and Release of the Threatened Pond Mud Snail Project, the Flapper Skate Veterinary Monitoring Project and the Pine Hoverfly Conservation Breeding Project. At 31 December 2022 the balance in this fund was transferred to other restricted funds i.e. funds for the pond mud snails of £25,592 have been transferred to the Native Invertebrate fund, funds for flapper skates of £9,665 have been transferred to the Flapper Skate fund and funds for pine hoverfly conservation of £39,744 have been transferred to the Pine Hoverfly Captive Breeding fund.

**Gentoo Penguins** - represents funding from the American Association of Zoo and Veterinarians and the European College of Zoological Medicine to fund research into aspergillosis in gentoo penguins

**Interpretation** - represents funding from an anonymous Trust to develop interpretation at Edinburgh Zoo.



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**23 Endowment fund**

	As at 1 January 2023	Realised /unrealised gains/(losses)	Investment income	Resources expended	Transfer to unrestricted funds	As at 31 December 2023
	£	£	£	£	£	£
J W Gibb Fund	494,762	24,263	724	(2,707)	-	517,042

The above fund is to support the maintenance and upkeep of animals, consistent with our objectives.

**24 Analysis of reserves between net assets**

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Fixed assets	18,655,912	8,220,297	-	26,876,209
Investments	2,995,146	-	517,042	3,512,188
Net current assets	3,372,790	2,822,022	-	6,194,812
Long term liabilities	(3,256,501)	-	-	(3,256,501)
Pension deficit	-	-	-	-
	<u>21,767,347</u>	<u>11,042,319</u>	<u>517,042</u>	<u>33,326,708</u>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Fixed assets	16,927,423	5,159,857	-	22,087,280
Investments	2,830,846	-	494,762	3,325,608
Net current assets	5,398,674	3,484,355	-	8,883,029
Long term liabilities	(4,468,461)	-	-	(4,468,461)
Pension deficit	-	-	-	-
	<u>20,668,482</u>	<u>8,644,212</u>	<u>494,762</u>	<u>29,827,456</u>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Fixed assets	18,000,032	8,220,297	-	26,220,329
Investments	2,995,148	-	517,042	3,512,190
Net current assets	3,444,756	2,822,022	-	6,266,777
Long term liabilities	(3,241,478)	-	-	(3,241,478)
Pension deficit	-	-	-	-
	<u>21,198,457</u>	<u>11,042,319</u>	<u>517,042</u>	<u>32,757,818</u>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Fixed assets	16,475,723	5,159,857	-	21,635,580
Investments	2,830,848	-	494,762	3,325,610
Net current assets	5,112,105	3,484,355	-	8,596,460
Long term liabilities	(4,453,438)	-	-	(4,453,438)
Pension deficit	-	-	-	-
	<u>19,965,238</u>	<u>8,644,212</u>	<u>494,762</u>	<u>29,104,212</u>

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**25 Net cash (outflow)/inflow from operating activities**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Net income/(expenditure) for the reporting period as per the statement of financial activity	3,749,252	1,372,614	3,903,606	1,440,117
Depreciation charges	1,947,585	1,513,896	1,861,476	1,452,240
(Gain)/loss on investments	(204,266)	702,046	(204,266)	702,046
(Increase)/Decrease in Stock	(31,154)	(169,872)	(30,602)	(20,013)
(Increase)/Decrease in Debtors	(912,853)	(31,127)	(1,673,733)	2,418,961
Increase/(Decrease) in Creditors	328,665	(797,964)	401,315	(745,365)
Investment Income	(675,425)	(653,012)	(1,512,178)	(1,635,198)
Interest paid	311,987	182,119	311,987	182,119
Cash movements in pension scheme	(250,000)	(203,000)	(250,000)	(203,000)
(Gain)/Loss on disposal of tangible fixed assets	14,253	28,198	14,253	28,198
Net cash inflow/(outflow)	4,278,044	1,943,898	2,821,859	3,620,106

**26 Analysis of changes in net debt during the year**

	Group				
	As at 1 January 2023	New finance lease	Foreign exchange movement	Other non-cash changes	As at 31 December 2023
	£	£	£	£	£
Cash held as part of the investment portfolio (note 15)	185,894	-	-	-	139,018
Cash at bank and in hand	10,463,735	-	-	-	7,156,911
Loan - Amounts falling due within 1 year	(1,252,554)	-	-	(1,198,412)	(1,252,554)
Loan - Amounts falling due after 1 year	(4,406,512)	-	-	1,198,412	(3,208,100)
Finance leases - Amounts falling due within 1 year	(16,814)	-	-	-	(13,549)
Finance leases - Amounts falling due after 1 year	(46,926)	-	-	-	(33,379)
	4,926,823	-	-	-	2,788,347

	Charity				
	As at 1 January 2023	New finance lease	Foreign exchange movement	Other non-cash changes	As at 31 December 2023
	£	£	£	£	£
Cash held as part of the investment portfolio (note 15)	185,894	-	-	-	139,018
Cash at bank and in hand	10,241,018	-	-	-	6,605,051
Loan - Amounts falling due within 1 year	(1,252,554)	-	-	(1,198,412)	(1,252,554)
Loan - Amounts falling due after 1 year	(4,406,512)	-	-	1,198,412	(3,208,100)
Finance leases - Amounts falling due within 1 year	(16,814)	-	-	-	(13,549)
Finance leases - Amounts falling due after 1 year	(46,926)	-	-	-	(33,379)
	4,704,106	-	-	-	2,236,487

**27 Reconciliation of net cash flow to movement in net debt**

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Increase in cash in the period	(3,353,700)	(1,347,339)	(3,682,843)	1,696,717
Cash outflow from debt financing	1,215,224	1,190,749	1,215,224	1,190,749
Change in debt resulting from cash flows	(2,138,476)	(156,590)	(2,467,619)	2,887,466
Net debt at the beginning of the period	4,926,823	5,083,413	4,704,106	1,816,640
Net funds/(debt) at the end of the period	2,788,347	4,926,823	2,236,487	4,704,106

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**28 Defined benefit pension scheme**

	As at 1 January 2023 £	Provided £	Released £	As at 31 December 2023 £
<b>Group &amp; Charity</b>				
Total pension surplus/(deficit)	-	-	-	-

At 31 December 2023 the Society owed the defined benefit pension scheme £nil (2022: £18,300) in relation to employer's deficit contributions.

**Information about the characteristics of the fund**

The Fund provides pensions in retirement and death benefits to members. Pension benefits are linked to a member's final salary at retirement and their length of service. The Fund closed to new members on 30 September 2008. The Fund is a registered scheme under UK legislation and is subject to the scheme funding requirements. The Fund is governed by the Fund's trust deed and rules dated 29 April 1970. The Trustee is responsible for the operation and governance of the Fund, including making decisions regarding the Fund's funding and investment strategy in conjunction with the Society.

**Information about the risks of the fund to the Society**

The Fund exposes the Society to actuarial risks such as; market (investment) risk, interest rate risk, inflation risk, currency risk and longevity risk. The Fund does not expose the Society to any unusual fund specific or Society specific risks.

**Information about the valuation of the defined benefit obligation at the measurement date**

The most recent formal actuarial valuation of the fund was at 31 March 2023 and the results have provisionally been agreed at the date of this report. The liabilities at the Measurement Date have been calculated by updating the results of the formal actuarial valuation of the fund for the assumptions detailed in these disclosures. Allowance has been made for the passage of time, benefits paid out, expected mortality over the period, as well as actual movement in financial conditions since the valuation date. Such an approach is normal for the purposes of accounting disclosures. It is not expected that these projections will be materially different from a summation of individual calculations at the measurement date, although there may be some discrepancy between the actual liabilities for the Fund at the Measurement Date and those included in the disclosures.

**Information about the most recent actuarial valuation and expected future cashflows to and from the Fund**

In accordance with the Schedule of Contributions signed on 8 December 2023, the Society is expected to pay contributions of £109,800 by April 2024 and contributions of £109,800 by 19 October 2024. However the valuation at 31 March 2023 revealed a funding surplus of £0.5m and the valuation is expected to be completed by 31 March 2024. Therefore no contributions are expected from the Society over the next accounting period. The contributions paid by the Society are reviewed every 3 years as part of each formal actuarial valuation. The Funds next actuarial valuation is due at 31 March 2026. In addition the Society is expected to meet the cost of administrative expenses for the Fund.

The liabilities of the fund are based on the current value of expected benefit payment cashflows to members approximately over the next 70 years. The average duration of the liabilities on the accounting basis as at 31 December 2023 is approximately 13 years.

**The Fund's investment strategy**

The most recent statement of Investment Principles was signed by the Trustees in December 2023. The Fund's investment strategy is to invest broadly 40% in return seeking assets, 20% in corporate bonds and 20% in gilts. This strategy reflects the Fund's liability profile and the Trustee's and Society's attitude to risk. The fund holds a number of annuity policies which match a portion of the pensions in payment.

	As at 31 December 2023 %	As at 31 December 2022 %
<b>The principal actuarial assumptions used were:</b>		
Liability discount rate	4.55	4.80
Inflation assumption (RPI pre 2030)	3.10	3.20
Inflation assumption (RPI post 2030)	2.80	2.90
Inflation assumption (CPI pre 2030)	2.10	2.20
Inflation assumption (CPI post 2030)	2.80	2.90
Increase in pensions in payment		
LPI pension increase (pre 2030)	2.15	2.25
LPI pension increase (post 2030)	2.75	2.85
Proportion of employees commuting pension for cash	100% of maximum tax free cash is taken at retirement, on current terms cash	100% of maximum tax free cash is taken at retirement, on current terms cash
	As at 31 December 2023	As at 31 December 2022
<b>Assumed life expectancies on retirement at age 65 are:</b>		
Retiring today - Males	21.30	21.80
Retiring today - Females	23.60	24.00
Retiring in 20 years time - Males	22.60	23.10
Retiring in 20 years time - Females	25.00	25.40

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**28 Defined benefit pension scheme (continued)**

The major categories of fund assets are as follows:

	31/12/2023 £000	31/12/2022 £000
Buy and Maintain Credit	1,651	-
Multi asset funds	3,375	6,516
Bonds	3,038	1,100
Cash	94	134
Insured Pensioners	420	459
<b>Total market value of assets</b>	<b>8,578</b>	<b>8,209</b>

The amounts recognised in the statement of financial position are as follows:

	£000	£000
Defined benefit obligation	(6,979)	(6,904)
Fair value of fund assets	8,578	8,209
Net defined benefit (liability)/asset	1,599	1,305
Restriction on asset recognition	(1,599)	(1,305)
Net amount recognised at year end (before any adjustment for deferred tax)	-	-

The amounts recognised in comprehensive income are:

The current and past service costs, settlements and curtailments, together with the net interest expenses for the year are included in the profit and loss. Remeasurement of the net defined benefit liability are included in other comprehensive income.

	Year ended 31/12/2022 '£000	Year ended 31/12/2023 '£000
Service cost:		
Net Interest expense/Credit	(67)	17
Charge/(credit) recognised in profit or loss	(67)	17
Remeasurement of the net liability		
Return of fund assets (excluding amounts included in net interest expense)	(79)	1,450
Actuarial (gains)/losses	35	(3,593)
Adjustment for restrictions on the asset recognised	294	1,305
Charge/(credit) recorded in other comprehensive income	250	(838)
Total defined benefit cost/(credit)	183	(821)

Reconciliation of fund assets and liabilities.

	Assets £000	Liabilities £000	Total £000
At start of period	8,209	(6,904)	1,305
Interest income / (expense)	392	(325)	67
Return on assets, excluding amount included in interest expense	79	-	79
Contributions by employers	183	-	183
Benefits paid	(285)	285	-
Actuarial gains/(losses)	-	(35)	(35)
<b>Fair value of fund assets at end of year</b>	<b>8,578</b>	<b>(6,979)</b>	<b>1,599</b>

The return on Fund assets was:

	31/12/2023 £000	31/12/2022 £000
Interest income	392	171
Return on Fund assets (excluding amount included in net interest expense)	79	(1,450)
Total return on planned assets	471	(1,279)

Sensitivity analysis

Sensitivity of the liability value to changes in the principal assumptions

	Assumption	Impact on fund liabilities	
		Increase in assumption £000	Decrease in assumption £000
Discount rate	Change by 0.25%	(210)	230
Rate of inflation	Change by 0.25%	15	(140)
Assumed life expectancy	Change by 1 year	240	(240)

Estimation of next period's profit or loss

	2024 £000	2023 £000
Net interest on the net defined benefit liability	-	(5)
Total Expense	-	(5)

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## 29 Guarantees and other financial commitments

The group's minimum operating lease payments are as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	138,149	147,988	131,789	141,628
Within 2-5 years	479,546	457,663	467,886	439,643
In 5 years or more	800,000	900,000	800,000	900,000
	<b>1,417,695</b>	<b>1,505,651</b>	<b>1,399,675</b>	<b>1,481,271</b>

Operating lease payments of £200,208 were paid in the year (2022: £191,224).

The Society has entered into a commitment in relation to the installation of a solar meadow at Edinburgh Zoo. In 2023, £1m was paid leaving a balance of £300k which is due to be paid upon completion of the installation in 2024. The Society has also entered into commitments to build three new visitor hubs at the Highland Wildlife Park. The total sum committed at 31 December 2023 was £4m for build costs and £900k for interpretation costs. As at 31 December 2023 £3m has been paid for the build and £504k for the interpretation. Settlement of the balances is expected before 1 July 2024. In addition the Society has committed to expenditure of £90k for the replacement of the roof of the grasslands restaurant, £85k for refurbishment of the Mansion House and £114k for other infrastructure improvements at Edinburgh Zoo.

## 30 Operating leases

The group holds surplus land at Edinburgh Zoo as an investment property as disclosed in note 14 which is let to a third party. This non cancellable lease has a remaining term of 48 years.

	<b>Group &amp; Charity</b>	
	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	550,000	550,000
After one year but not more than five years	2,200,000	2,200,000
After five years	22,687,500	23,237,500
	<b>25,437,500</b>	<b>25,987,500</b>

## 31 Financial Instruments

### Financial assets

Measured at fair value through the profit and loss account

<b>Group &amp; Charity</b>	
<b>2023</b>	<b>2022</b>
<b>£</b>	<b>£</b>
<b>3,373,170</b>	<b>2,345,679</b>

Financial assets measured at fair value through the statement of financial activities are listed investments.

## 32 Ark Enterprises Limited

The retail and catering businesses at Edinburgh Zoo and the Highland Wildlife Park are carried out by the Society's wholly owned subsidiary company, Ark Enterprises Limited (SC 121528), which is incorporated in the United Kingdom.

The turnover and net contribution to the Society from this company was

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	6,382,075	5,357,954
Raw materials and consumables	(4,194,266)	(3,526,550)
Gross profit	2,187,809	1,831,404
Staff costs	(634,303)	(564,758)
Other operating charges	(871,106)	(1,021,786)
Other operating income	-	669,822
Net profit for the year before gift aid donation	682,400	914,682
Gift aid donation to the Society	(836,754)	(982,187)
Shareholders' funds	568,890	723,244

Each year the company donates all of its net distributable taxable profits to the Society under the gift aid scheme on a cash basis.

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**33 Related party transactions**

Ark Enterprises Ltd is RZSS's wholly owned subsidiary. Management charges of £510,000 (2022: £490,000), charitable donations of £836,754 (2022: £982,187) and staff costs recharged of £634,303 (2022: £564,758) were received in the year. There was a debtor due from the subsidiary of £890,556 (2022: £146,085) at the year end.

During the year the Society spent £9,449 (2022: £4,725) on an annual membership of the Scottish Environmental Link, an organisation whose Trustees include Karen Blackport.

During the year the Society received a grant of £20,000 (2022: £20,000) from the Peoples Trust for Endangered Species, an organisation whose Chairman is Andrew Kitchener.

During the year the Society paid £20,293 (2022: £12,794) to the British and Irish Association of Zoos and Aquariums, £9,245 (2022: £6,283) to the European Association of Zoos and Aquaria, and £2,262 (2022: £2,203) to the World Zoo and Aquarium Association, all organisations whose Trustees include David Field. In addition £714 (2022: £nil) was received from the World Zoo and Aquarium Association for catering at a workshop.

In 2023 the Society received £247 (2022: £nil) from, and paid £187 (2022: £nil) to the National Museums Scotland, an organisation whose Trustees include Mary Bownes and whose principal curator is Andrew Kitchener, for catering and travel expenses respectively.

**34 Ultimate controlling party**

The charity is controlled by the Trustees.



## CHARITY INFORMATION

### HEAD OFFICE

Edinburgh Zoo  
134 Corstorphine Road  
Edinburgh  
EH12 6TS

### REGISTERED CHARITY NUMBER:

SC004064

### PRINCIPAL ADVISORS

#### External auditors

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Edinburgh  
EH2 1DF

#### Principal bankers

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Edinburgh  
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#### Principal solicitors

Anderson Strathern  
1 Rutland Court  
Edinburgh  
EH3 8EY

#### Investment advisors

Adam and Company Limited  
6-8 George Street  
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