

**ZSL** | **LET'S WORK  
FOR WILDLIFE**

ANNUAL REPORT AND ACCOUNTS 2017-18





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# Welcome

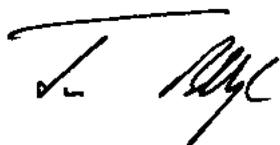
## The President and Director General of The Zoological Society of London introduce our review of May 2017 to April 2018.

**A**s President of The Zoological Society of London (ZSL), I am delighted to present our 2017-18 Annual Report. This marks the third year of my Presidency, and I take great pride in being part of a conservation organisation like ours that continues to act as the last line of defence for the natural world. As the human population expands, there is the potential to lose key habitats, along with the wildlife that relies upon them. Our activities reflect this, with much of our work involving vast landscapes as well as the human communities that live there. In the rainforests of Cameroon's Dja Biosphere Reserve and tiger strongholds of Indonesia's South Sumatra, we are conducting surveys of wildlife and putting in place measures to ensure its survival, while developing relationships with local communities to harness their knowledge of, and passion for, their landscapes. Engaging with local businesses and people is the only way to secure the long-term protection of these habitats.

Human expansion and greater ease of global travel bring the potential for wildlife disease transmission. Our scientists are at the forefront of the fight to save amphibians, which are being decimated by a fungus thought to have been unintentionally transported by the pet trade. A recent study suggests that the micro-communities of bacteria on amphibian skin could hold the key to immunity. In Russia, our veterinarian was part of the team that recorded the first instance of canine distemper in the Critically Endangered Amur leopard. Closer to home, we published new research on disease transmission in British birds caused by garden feeding.

Issues facing marine life enjoyed greater public attention this year, with ZSL playing a key role in getting the message out. Our #OneLess campaign, aimed at ridding London of single-use plastic water bottles, gained momentum, with the Mayor of London joining us as a partner, and our Zoos minimising their plastic usage. As part of the Great British Oceans coalition, we kept up the pressure on the UK Government to realise its Blue Belt ocean reserves programme, with 283 MPs signing our Blue Belt Charter, and we were delighted to see marine issues feature prominently in the 25 Year Environment Plan. Meanwhile, ZSL is leading a multimillion-pound, multi-stakeholder project in the British Indian Ocean Territory. This remote archipelago, perhaps the most pristine coral reef system left, offers us an opportunity to improve our understanding of marine animal behaviour and the effects of climate change.

This only scratches the surface of what ZSL has achieved. As our new strategy, ZSL 200, guides us into the future, we will achieve even more. This is only possible because of the dedication of our people; I would like to thank all of those at ZSL for their continued support and commitment.



**Professor Sir John Beddington CMG, FRS**  
President, The Zoological Society of London



**M**y priority as incoming Director General of the world's first and foremost zoological society has been to ensure we have a strategy in place as we move towards our third century of working for wildlife. From my first morning with our zookeepers at ZSL Whipsnade Zoo, it has been the passion for wildlife from everyone in our organisation that has impressed me; from our conservationists in the field and our scientists to the administrative staff and the volunteers who underpin all of our efforts.

But I believe we can have much more impact. Using our resources more effectively is our moral responsibility to those who fund us, to those working with us and, most of all, to the future for wildlife that we are working to secure. That is what our new strategy, ZSL 200, will enable us to do, in partnership with the many individuals and institutions essential to our success. You can see our new Vision and Purpose in the pages ahead and find out which aspects of our work will become our focus for the coming years.

While ZSL 200 was in the planning, our people continued doing what they do best – working for wildlife, both internationally and at our Zoos. We were delighted to unveil the new home of our northern white-cheeked gibbons at ZSL London Zoo. And at ZSL Whipsnade Zoo we welcomed a female Amur tiger who will play a vital role in preserving this Endangered species. We also opened the River Cottage Kitchen and Deli, which unites sustainable values with an outstanding visitor experience.

Around the world, our conservationists took steps to halt illegal wildlife trade, from educating school children in Asia on the effects of animal-based traditional medicines to training rangers to catch poachers or providing evidence to the UK Government that contributed to a ban on domestic ivory trade. And our work didn't just focus on the big creatures; we released a number of Extinct in the Wild *Partula* snails bred at ZSL at reintroduction sites in French Polynesia.

Engaging with our audiences has always been key to our purpose and will be at the heart of our strategy. Without doing that, we can't inspire the change in government, business and society that is required to secure our vision of a world where wildlife thrives. Our Zoos continued to enthral and inform visitors, and in 2017 we ran several new events to reach fresh audiences. Our 'CSI of the Sea', a porpoise post-mortem live online, highlighted the impacts of marine pollution to viewers worldwide.

I am excited about what is next for our Society. As we make ourselves fit for the future, our impact will grow. That is only good news for all of us who care about the survival of wildlife on our planet.




**Dominic Jermy CVO, OBE** Director General,  
The Zoological Society of London

# Our impacts at a glance

At ZSL, we are working for wildlife around the world. From investigating the health threats facing animals to engaging with businesses, inspiring conservationists and working with world leaders, we are committed to ensuring a future for threatened species. Here are just a few examples of what we achieved in 2017-18.



**319** species have been added to the Living Planet Index database, taking the total to 4,500. Find out more about how ZSL is monitoring our planet on [page 14](#).

**23**

Wildlife Health and Biology MSc students were trained at ZSL. Find out more about how ZSL is improving wildlife health on [page 20](#).



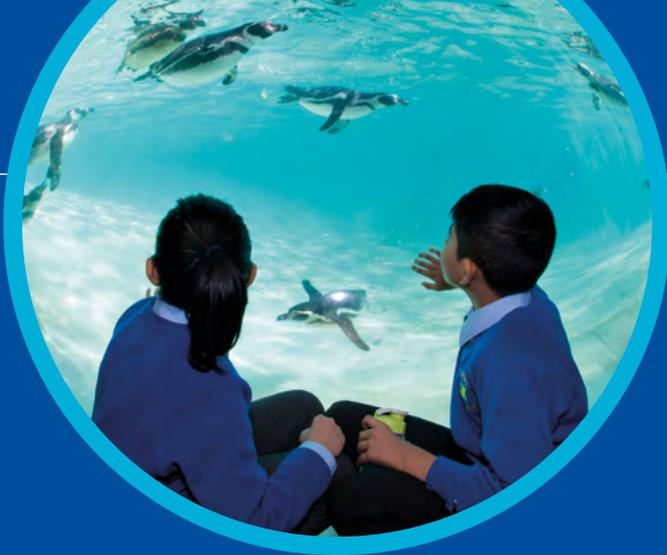
**30** calves were born to a herd of scimitar-horned oryx as part of a project supported by ZSL to reintroduce the species to Chad after their extinction in the wild in the 1980s. The population has now reached 103. Find out more about saving threatened species on [page 18](#).

**40** London businesses have joined our #OneLess campaign and committed to reducing their reliance on single-use plastic bottles. Find out more about how ZSL is engaging with business on [page 24](#).



**214** days were spent by ZSL zookeepers on training 786 other wildlife professionals and zoo staff worldwide. Find out more about our Zoos on [page 12](#).





**151,935** |.....○

children visited ZSL Zoos on school trips and 61,103 took part in learning sessions. Find out more about how ZSL is encouraging lifelong learning on *page 26*.



We collected data from more than

**50,000**

nights of camera trap footage to monitor wildlife populations in their habitats. For more about our conservation technology, turn to *page 16*.



**54,102**

Critically Endangered European eels were logged by our citizen scientists as part of our Thames survey. Find out more about how ZSL is promoting conservation for communities on *page 22*.



**6,293**

working days, the equivalent of 50,347 hours, have been donated by ZSL's learning volunteers. For more on how our work is made possible, turn to *page 28*.

# ZSL 200

## Our new strategy, vision, purpose and priorities

We are driven by the urgent need for worldwide conservation of animals and their habitats – here, we outline the core aims that shape our work.

**T**he Trustees present their Annual Report and Accounts of the charity for the year to 30 April 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the charity's Charter and Byelaws, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with FRS 102 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

## ZSL'S ROYAL CHARTER

**ZSL's core aims, as set out in its Charter, are:**

*'The advancement of zoology by, among other things, the conducting of scientific research, the promoting of conservation of biological diversity and the welfare of animals, the care for and breeding of endangered and other species, the fostering of public interest, the improvement and dissemination of zoological knowledge and participation in conservation worldwide.'*

**In shaping our aims for the year and planning our activities, ZSL's Trustees have considered the Charity Commission's guidance on public benefit and fee charging. Initiatives include educational visits at heavily discounted prices, free visits as part of the junior citizen initiative and Special Children's Days at discounted prices. We also fund and run a world-renowned zoological library, with open access at no charge.**

### Getting set for the next 200 years

In 2026 ZSL will be 200 years old, marking two centuries of discovery, pioneering, inspiring and delighting through science, conservation and our two Zoos.

However, the challenges facing wildlife are increasing: the rate of extinction is accelerating through habitat loss, disease, the illegal wildlife trade, pollution and other human effects. ZSL needs to act now to address these challenges.

We have developed our new strategy – ZSL 200 – that will help us to better tackle the issues facing wildlife today and adapt to those around the corner. It will focus our efforts and operations, with science informing work in the field and using the Zoos as a focus to drive engagement. At the core of this are two principles:

**Our vision is for a world where wildlife thrives; our purpose is to inspire, inform and empower people to stop wild animals going extinct.**

To tackle the threat to wild animals and help people achieve this positive change, we will:

- **Inspire future generations** through amazing experiences with animals, giving them a lifelong connection to wildlife and an understanding of the part that they can play.
- **Inform the world** about the challenges facing wildlife and the ways we all can address these, based on our scientific research, experience and expertise.
- **Empower communities, leaders and influencers** by giving them methods, evidence and tools to enable people and wildlife to thrive together.

Read overleaf for details of the three priority areas we have identified to achieve this vision.

## OUR VISION

# A WORLD WHERE WILDLIFE THRIVES

## OUR PURPOSE

To inspire, inform and empower people to stop wild animals going extinct



### Wildlife & People

**Fostering sustainable relationships between wildlife and people – because people thrive when wildlife thrives**

Coexisting is crucial to a sustainable, healthy world. We are focusing on developing, implementing and promoting sustainable use of the world's resources, allowing humans and wildlife to thrive. In some areas this involves creating ways to allow people and wildlife to live side by side, while in our Zoos we will bring animals and people closer, to generate appreciation and increase wellbeing among people living in urban environments.



### Wildlife Health

**Ensuring the health of wildlife, improving the health of people and the environment**

Disease does not respect borders, and the growth of global travel has seen the unprecedented spread of zoonotic diseases – harming both wildlife and human communities. We will focus our health research to detect, understand and treat disease, as well as understanding and addressing its causes. We will train and support wildlife health professionals around the world, modelling outstanding animal care in our Zoos.



### Wildlife Back from the Brink

**Bringing the most threatened species back from the brink of extinction**

For some species the clock is already ticking, and our work is vital to prevent animals being lost forever. We will achieve this through recovery programmes and by influencing policy, convening partners, championing their cause through our Zoos and providing tools, training and methods – underpinned by our science – to bring about a major improvement for threatened species.



Thousands of people in the Philippines are benefiting from ZSL's innovative approach to coastal biodiversity conservation. Net-Works creates community income streams that reduce plastic pollution and replenish fish stocks. Tonnes of discarded fishing nets are diverted from the ocean each year for recycling into carpet tiles, while income from seaweed farming supports community management of marine protected areas. Together, these interventions protect biodiversity and provide sustainable livelihoods, helping people and wildlife to coexist.



*Chytrid fungus has decimated global amphibian populations and we are at the forefront of trying to develop a solution. Only two years ago, one of our scientists successfully eliminated fatal chytrid fungus from a wild population of the threatened Mallorcan midwife toad for the first time.*



*A spate of births among scimitar-horned oryx in Chad, reported by the ZSL-led field monitoring team, has brought the released population to over 100. These oryx have been Extinct in the Wild since the 1980s but are being restored in a project led by the Government of Chad and Environment Agency of Abu Dhabi, and implemented by the Sahara Conservation Fund.*

# Working around the world

## A Ireland and UK Puffin

Known for its colourful bill and charismatic behaviour, the Atlantic puffin is the second most abundant seabird in the British Isles – but in 2017 it was reclassified as Vulnerable. We have embarked on a collaborative project to understand more about its migration habits and how these could be affecting breeding success, using tags developed by our scientists to monitor the bird's movements. Initial findings suggest that loss of foraging areas at more southerly latitudes and climate change are driving the bird north, where prey availability is poorer and reproductive failure is increased.



## B Canary Islands Angel sharks

We are part of a pioneering project to conserve the three species of Critically Endangered angel shark living in European waters, for one of which the Canary Islands represents an important stronghold. The collaboration with Spain's Universidad de Las Palmas de Gran Canaria and Germany's Zoological Research Museum Alexander Koenig involves working with local communities, divers and fishers to raise awareness and monitor angel shark populations to better understand their ecology and conservation needs.



## H Nepal Chinese pangolin

Pangolins are the most trafficked mammals in the world, despite an international ban on their trade, hunted for their meat and an unproven belief in the medicinal properties of their scales. We host the IUCN SSC Pangolin Specialist Group, bringing together experts in pangolin conservation to develop a global strategy for their protection. In Nepal, just one of the countries we work in, we are conducting patrols to identify pangolin strongholds, working with local communities to raise awareness and running training workshops for law enforcement officers.



## G Costa Rica Hawksbill turtle

Hawksbill turtles are vital to healthy reefs, controlling sponge populations that would otherwise outcompete reef-building coral, but they are estimated to have declined by 87% due to hunting and habitat loss. ZSL has awarded an EDGE (Evolutionarily Distinct and Globally Endangered) Fellowship to a local conservationist for the study and protection of this Critically Endangered reptile. Over the next two years, we will be supporting his work to identify key foraging grounds and threats, and, crucially, to build an effective conservation strategy in partnership with the local government.





Indicates the number of ZSL conservation projects in countries around the world – in total, we have 245 projects in 61 countries

Across every continent and ocean, animals face unprecedented threats. ZSL is a world leader in wildlife conservation, science and education, and here is just a snapshot of some of the projects we undertook in 2017-18 to protect wildlife.

**C Kenya**  
**Black rhino**

Rampant poaching drove the Critically Endangered black rhino to the brink of extinction, losing an estimated 96% of its population, but, through projects like ZSL's partnership with the Kenya Wildlife Service in the Tsavo West National Park, the species is recovering. Improved rhino monitoring and law enforcement have increased our knowledge of this key population and contributed to zero poaching over the past 12 months. Such effective protection is now enabling us to pilot a project that will see private companies investing in conservation projects based on how effectively they are protecting wildlife.

**D Mauritius**  
**Mauritius kestrel**

Once the most threatened bird of prey in the world, the Endangered Mauritius kestrel's road to recovery is still fragile. We have been working with partners to support the island's breeding and reintroduction programme for several years and, in 2018, sent a zookeeper from ZSL London Zoo to help hand-rear kestrel chicks. We were able to release 19 chicks into the wild, which, with an overall population of 250 birds, marks a significant boost to their numbers and increases their chances of survival. Thanks to this success, a long-term collaboration has been established which will see zookeepers from both Zoos working with the Mauritian Wildlife Foundation on the future hand-rearing and release of the kestrels.

**E Vietnam**  
**Botsford's leaf-litter frog, Sterling's toothed toad**

In 2017, we launched a programme to monitor Vietnam's only Critically Endangered amphibians, the Botsford's leaf-litter frog (pictured) and Sterling's toothed toad. Members of ZSL London Zoo's herpetology team led field surveys of the Hoang Lien National Park to document their distribution, and trained park staff in monitoring methods. We are now funding an EDGE Fellow – an early-career conservationist from Vietnam – to restore key breeding habitats and assess the impact of chytrid infections on amphibians in the area.



**F India**  
**Asiatic lion**

The Gir Forest National Park is home to the last remaining population of the Endangered Asiatic lion and, over the past year, we have been working with the Gujarat Forest Department and the Wildlife Institute of India to build capacity in front-line staff to help ensure the lions' long-term survival. Our conservationists and veterinarians have provided local park and zoo staff with training in veterinary, husbandry, population monitoring and human-wildlife conflict mitigation techniques, informed by our work elsewhere in the wild and our experience of caring for our own Asiatic lions at ZSL London Zoo.



# Our Zoos

**Our two Zoos carry out vital conservation breeding and inspire our visitors through world-class animal exhibits, helping us to share our conservation work with an audience of millions.**

**T**his year we were proud to open our new gibbon enclosure at ZSL London Zoo. Home to our northern white-cheeked gibbon, Jimmy, and his son, Yoda, the enclosure gives visitors a glimpse into this now Critically Endangered species' treetop habitat, where a maze of branches and

ropes encourages these agile animals to replicate their natural behaviour in the forests. The exhibit also highlights our gibbon conservation work in China, where ZSL scientists are working to safeguard the world's rarest ape, the Hainan gibbon, of which only 25 remain in the wild.

## Innovative animal care

Our unique position as a global conservation organisation at the forefront of zoo animal care allows us to influence wild animal research. Our African wild dogs helped test new tracking collars (see page 16) and our herpetologists have developed new protocols for treating chytridiomycosis in aquatic salamanders – research that will be shared with zoos and researchers across the world. ZSL London Zoo also welcomed a group of Telfair's skinks (officially listed as Vulnerable in the wild) from the Durrell Wildlife Conservation Trust as part of a project to determine whether breadth of diet has an impact on skink fitness, the results of which will inform reptile reintroductions in the wild.

## New animals

In 2017 we celebrated the birth of a female okapi calf at ZSL London Zoo, named Meghan in honour of Meghan Markle, now The Duchess of Sussex. Listed as Endangered, these elusive forest dwellers were first brought to the attention of the scientific community in 1901 by a ZSL Fellow. With fewer than 60 okapis in the European zoo breeding programme, Meghan is an important addition to the population. Other exciting births at ZSL London Zoo

included black-headed pythons (a UK zoo first) and an Endangered Asian spiny turtle. At ZSL Whipsnade Zoo we were delighted by the hatching of a wattled crane, which is listed as Vulnerable. The fostering protocol developed at the Zoo has resulted in the rearing of four chicks – the first to be bred here in more than 18 years. We also celebrated the birth of a Vulnerable common hippo.



## Leading veterinary science

With a diverse collection of more than 900 species, we rely on an expert veterinary team to keep the animals healthy. In early 2018, veterinarians at ZSL London Zoo performed life-saving surgery on one of our female western lowland gorillas, removing eight inches of infected bowel. Critically Endangered in the wild and in the prime reproductive period of her life, this female is a vital part of the European breeding programme.

## Animal Adventure

On the morning of Saturday 23 December, a fire broke out in the *Animal Adventure* section of ZSL London Zoo and spread to an adjacent shop. Keepers living on-site and our security team responded incredibly quickly to move animals to safe locations before the emergency services arrived, ensuring the safety of our three porcupines and three yellow mongooses. Sadly, we did lose a nine-year-old aardvark and four meerkats. Official investigations by the London Fire Brigade and the Metropolitan Police into the fire have been unable to identify a cause, but ruled out any fault with electrical equipment in the area.



In light of the fire we reviewed our health and safety processes to see if they could be strengthened further. We also took further action, including updating our smoking policy for employees and visitors, enhancing CCTV coverage and investing further in fire alarm systems. We also launched Project Blossom to plan the redevelopment of the area damaged by the fire (see page 32).



Clockwise from below: amazing animals at our Zoos, such as brown bears, inspire visitors; our baby okapi and our wild dog

# 1,042,932

NUMBER OF VISITS TO ZSL LONDON ZOO IN 2017-18

# 601,152

NUMBER OF VISITS TO ZSL WHIPSADE ZOO IN 2017-18

## 3

global conservation breeding programmes are led by ZSL – those for the Sumatran tiger, Amur leopard and blue-crowned laughingthrush

## 8

European conservation breeding programmes are led by ZSL, including those for the Amur tiger, white-faced saki monkey, golden lion tamarin, Frigate beetle and *Partula* snails

## 5

expert European zoo Taxon Advisory Groups for different taxonomic groups of animals are chaired by ZSL staff

# 201

species (22% of the 904 species at ZSL Zoos) are listed as Extinct in the Wild, Critically Endangered, Endangered or Vulnerable



We are developing exciting new plans for our Zoos that will give them clearer identities, informing decisions about the animals we keep and how we make use of our two sites.

# Monitoring our planet

**We play a vital role in assessing the status of the world's wildlife, from monitoring rare species to mapping animal populations on a global scale.**

**A**ccurately identifying animal numbers, the status of their habitats and their needs as species is the first step towards protecting them. We have been working in the Dja Biosphere Reserve in Cameroon to monitor wildlife populations and their threats, such as poaching.

The Dja is home to great apes, elephants and pangolins, and is one of the largest and most species-rich rainforests remaining in Africa. Our conservationists have deployed motion-activated camera traps and foot patrols to establish wildlife population figures, while habitat loss is tracked by satellite. We have confirmed the presence of leopards and golden cats in the area, and obtained the first record of aardvarks there. It is vital data like this that has enabled the Dja to keep its status as a World Heritage Site – along with the protection that affords.

In 2017 we began a new project in the British Indian Ocean Territory (BIOT) that includes the Chagos Archipelago. In a remote location and home to some of the world's most extensive reefs, BIOT is a unique environment in which to study marine behaviour and the effects of climate change. We are leading a collaboration of 14 institutions, with the project expected to last at least four years. A series of expeditions began in 2018 to help us learn more about how wildlife is using the protected area.

Our conservationists continue to monitor wildlife in other key areas, such as the W-Arly-Pendjari (WAP) Complex in West Africa (spanning Benin, Burkina Faso and Niger), Nepal's Parsa and Chitwan National Parks, and the Western Forest Conservation Complex (WEFCOM) in Thailand. WAP is the largest intact savannah system

left in West Africa, and of vital importance to cheetahs, elephants and lions. We have funded two additional teams of rangers to better monitor the area. Meanwhile, we continue to support the monitoring of tigers in Russia, Indonesia, Thailand and the Terai Arc Landscape on the borders of India and Nepal, where we are assisting the Governments of both countries in the management of this transboundary habitat.

## A global overview

Without careful monitoring, less visible species could disappear before we are even aware of an issue. Such is the case with amphibians – the last comprehensive inventory of amphibian conservation status from the International Union for Conservation of Nature (IUCN) was in 2004, and in 2017 we led a study highlighting that many amphibian assessments were outdated. The report provided recommendations for the conservation community to help fill in the gaps and called for greater investment in amphibian monitoring. We work closely with the IUCN Red List, the global source of species conservation information, to refine the data it relies on. In 2017 we led a study on how the results of threat-specific vulnerability assessments – such as vulnerability to climate change – differ from the threats recorded during IUCN Red List assessments. We found that birds and amphibians with traits that might increase climate change vulnerability – such as microhabitat dependence – were in fact less likely to have climate change listed as a threat on the IUCN Red List. The report has recommended the IUCN include certain species traits in its assessments to enhance our understanding of climate-related extinction risk.





We are deploying camera traps in Cameroon to establish species presence and distribution, and in Thailand to monitor Asian elephants (opposite), tigers and other rare wildlife such as pangolins

# 32,400km<sup>2</sup>

of key wildlife habitat is being monitored by ZSL's camera traps in the Dja Biosphere Reserve

# 18

staff in the Dja Biosphere Reserve in Cameroon have been trained in wildlife monitoring techniques by ZSL

# 61.3%

of amphibian species are either Near Extinct or have outdated extinction risk assessments, our research has found

# 62

expedition days have been spent in the BIOT as our latest conservation project there gets under way



We will be developing new ways of measuring our conservation successes in line with our new priorities, so that we can be sure we are making a difference.

# Developing conservation technology

**Adapting to the changes facing wildlife is paramount to our work, and ZSL is at the forefront of developing technological solutions to conservation issues.**

**T**echnology is allowing conservationists to monitor animals in ever greater depth, enhancing our understanding of how they interact with the environments around them and what they require to thrive. We monitor a host of wildlife populations using a range of tracking technologies,

including acoustic transmitters on sharks in the Palmyra Atoll, the British Indian Ocean Territory (BIOT) and the Bahamas; geolocation tags on seabirds in the UK, Chagos and Mauritius; and our own open-source GPS trackers (known as Mataki tags) deployed with tigers in India, pygmy three-toed sloths in Panama, seabirds such as the Manx shearwater in the UK, and a variety of large carnivores in Africa.

## Tracking marine animals

It can be difficult to obtain frequent satellite positions for fish species that rarely surface, but acoustic transmitters attached to the animal, with receivers placed at points throughout its range, offer a tracking solution. We recently developed a method for inferring social interactions from acoustic telemetry data, enabling us to establish patterns of social leadership behaviour in a population of grey reef sharks in the Pacific Ocean. We hope that a greater understanding of species' behaviour – particularly the way in which they move and the habitats they favour – can be built into our assessments of species' vulnerability to environmental change.

We have been working with the Arribada Initiative to develop a low-cost solution to tracking open-ocean animals. Successful prototype testing of 10 GPS tags and 10 optical tags has been carried out on Endangered green sea turtles. The tags will allow researchers to follow the turtles'

journeys and analyse their interactions with other wildlife, and with threats such as plastic.

## Trimming conservation response times

Almost every conservation activity produces a large amount of data, often requiring hours of a researcher's time to analyse. Identifying the species photographed by automated camera traps is one such activity. However, technology could hold the key to trimming data-

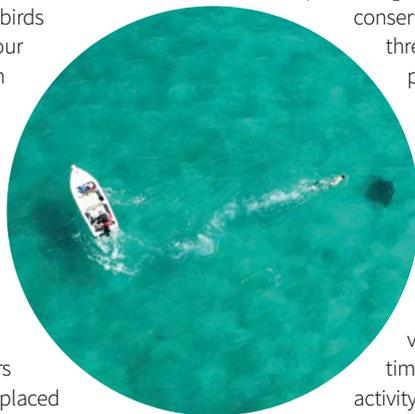
processing time from months to days, allowing conservationists to react more quickly to threats. We are currently working with

partners, including Google, to develop an image-recognition tool that can be easily applied to fieldwork. The image-recognition software will also benefit our pioneering monitoring tool, Instant Detect. Designed to monitor wildlife in the world's most demanding environments, the system relays camera trap images via satellite to give rangers near real-time updates on wildlife or illegal human activity in the area. New funding has allowed us to redevelop the hardware to incorporate

acoustic sensors, improve battery life and lower production costs, with Instant Detect 2.0 planned to launch in 2019.

## Insights from our Zoos

We are uniquely placed to develop and road-test technology with the animals in our Zoos that will benefit the conservation of wild species. In collaboration with Swansea University, we tested 'daily diary' tracking collars on four of our African wild dogs at ZSL to assess the accuracy of the data collected before deploying them in the field. The collars have since been used with three species of wild dog in South America and will be deployed in the future to study the behaviour of Endangered African wild dogs in Kenya.



ZSL is training rangers to use Instant Detect technology and (opposite) tagging and tracking marine wildlife such as manta rays

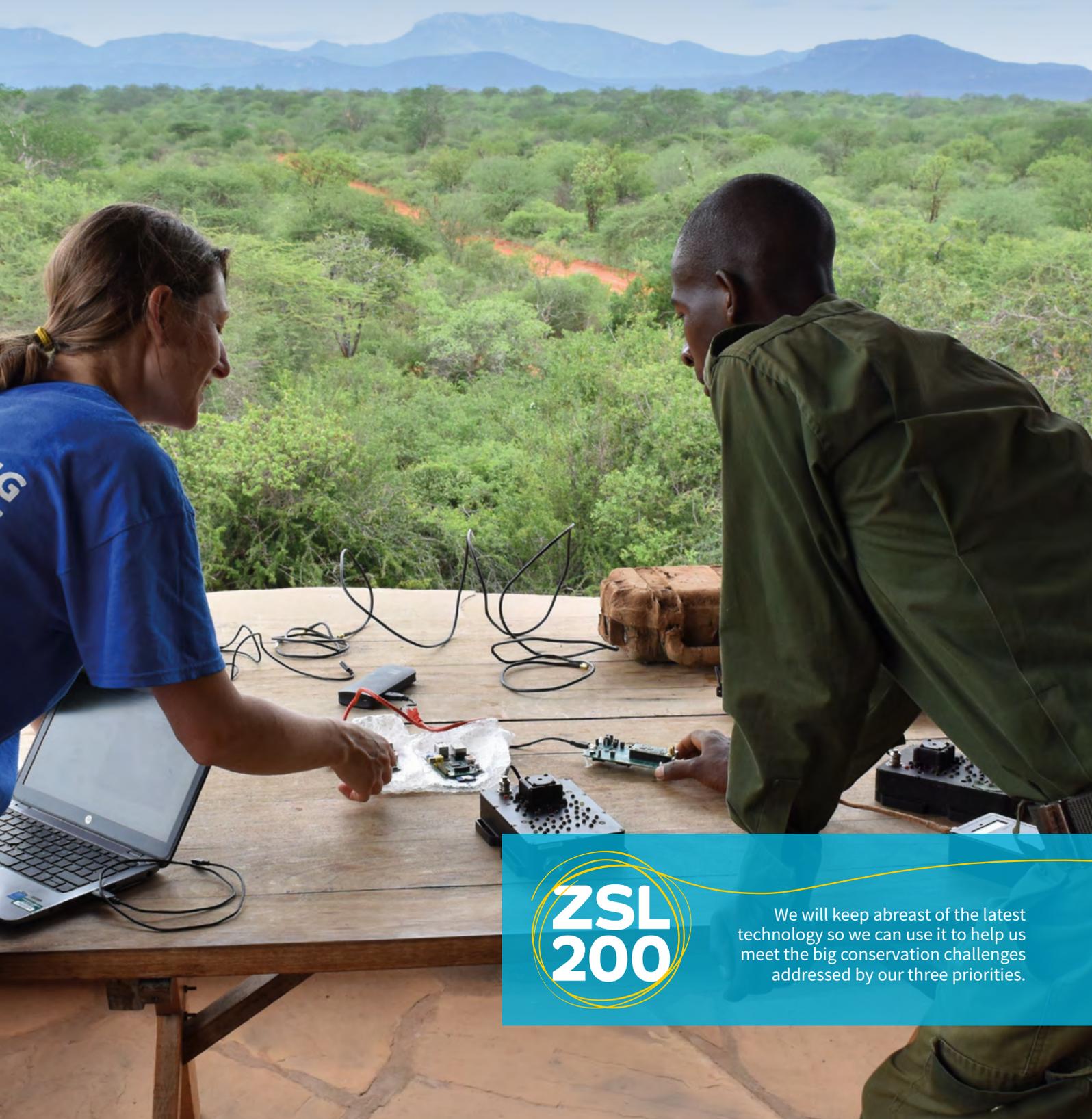
# 298

tags have been employed to monitor aquatic species such as eels, turtles, sharks and seabirds

# 51,933km<sup>2</sup>



of important habitat in Benin, Cameroon, Nepal, Indonesia, Russia and Thailand was monitored using camera traps, resulting in 50,305 days of camera trap footage



We will keep abreast of the latest technology so we can use it to help us meet the big conservation challenges addressed by our three priorities.

# Saving threatened species

**Species across the world are facing unprecedented habitat change, largely due to human expansion, and we are at the forefront of developing new ways to ensure their survival.**

**M**egafauna such as elephants and rhinos are often described as flagship animals – and for good reason. By protecting the very largest animals we can also help ensure the survival of the smaller creatures that share their habitats. In the

Chinese province of Yunnan, home to the only remaining wild elephant population in China, we helped set up the Conservation and Education for Chinese Elephants network – aimed at facilitating communication and knowledge-sharing between a number of Asian elephant conservation groups in the country. In Kenya, the Rhino Impact Investment (RII) project is concluding its pilot phase in Tsavo West National Park, with a focus on the Critically Endangered black rhino. Intensive monitoring of the population and increased foot patrols have laid the foundations for more rhinos to be translocated there in the future and helped ensure that no rhinos were lost to poaching in 2017-18.

## On the EDGE

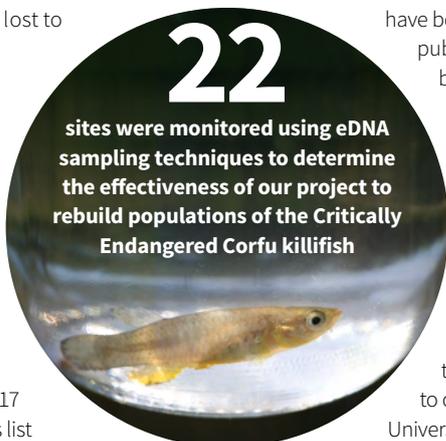
We recognise that focusing on the most well-known animals is not enough. Our EDGE of Existence programme highlights the globe's most Evolutionarily Distinct and Globally Endangered animals and funds training for early-career conservationists working with them. The programme celebrated its 10th anniversary in 2017 with the launch of the EDGE Reptiles list – 100 threatened and unique reptile species – drawing global attention to these oft-overlooked creatures.

## Tackling poaching

The illegal wildlife trade (IWT), the world's fourth most lucrative criminal industry, continues to put struggling wildlife populations under pressure. We take an active role in the development of law enforcement capacity in key areas across Africa and Asia, training rangers in the use of SMART (Spatial Monitoring and Reporting Tool) – a management tool designed to help rangers more effectively monitor both wildlife and illegal activity on their sites – and in law enforcement techniques.

In Africa, Beninese anti-trafficking agents trained by our staff seized over half a tonne of pangolin scales – the country's largest seizure of illegally trafficked animal products to date – while in Cameroon, ZSL-trained agents took part in one of the country's biggest ivory seizures (400kg) and arrested three individuals.

Meanwhile, in Asia, we completed a report that will define Mongolia's legislative approach to tackling IWT. Following its recommendations, training has been provided to front-line officers; an IWT app and database have been developed for the public; and a public awareness campaign – supported by SMS messaging and video – has been launched, reaching 800,000 people (a third of the population). Closer to home, we worked with NGO partners, the UK Government and the European Commission to successfully push for the closure of the UK domestic ivory market, a vital decision that will curb opportunities for criminals to 'launder' new ivory. We continue to collaborate with partners such as the University of Portsmouth to develop wildlife forensics techniques, and the wildlife trade monitoring network TRAFFIC, on information gathering.



Clockwise from below: threatened species that we are working to save include black rhinos, Corfu killifish and pangolins

# 356

law enforcement agents were trained by ZSL in practices to help tackle wildlife crime and 714 personnel were trained in intelligence gathering and law enforcement awareness

# 1,764

animal snares and traps were removed, and 363 poaching camps were dismantled, during SMART patrols

# 691

intruders in protected areas have been detained with the aid of SMART anti-poaching technology, which ZSL has rolled out in 32,354km<sup>2</sup> of Africa and Asia

# 0

rhinos were poached last year in Tsavo West National Park, Kenya, where ZSL has trained 80 people in monitoring techniques and has implemented SMART technology

# 96 million

people potentially saw the EDGE Reptiles launch, which generated £2.5m in EAV (Equivalent Advertising Value)



One of our three priorities is to bring **Wildlife Back from the Brink**, focusing attention on rescuing the most threatened species from the edge of extinction.

# Improving wildlife health

**Our scientists lead the way in identifying and mitigating diseases affecting species across the world.**

**W**e have a long and successful history of pinpointing where disease is a conservation threat, identifying the causes and underlying drivers of wildlife diseases, and developing ways of mitigating these threats, both in our Zoos and in the wild.

## Protecting UK wildlife

Feeding our wild garden birds has multiple benefits, particularly during the cold winter months, but a recent study by ZSL in collaboration with the British Trust for Ornithology and Fera Science Ltd found that garden feeding can promote the transmission of some diseases. By analysing 24 years' worth of surveillance data, including observations of sick or dead birds by members of the public, our researchers were able to make a number of recommendations to minimise the potential risk of disease transmission. The study also highlighted the ongoing importance of citizen science to wildlife conservation.

Our Cetacean Strandings Investigation Programme (CSIP) continued to shed new light on marine mammal strandings on British coasts and was granted a greater remit by the Department for Environment, Food and Rural Affairs to cover additional species, such as the Critically Endangered angel shark. The CSIP provides a vital source of data for monitoring the various health threats facing marine mammals, including persistent organic pollutants such as polychlorinated biphenyls (PCBs).

## A breakthrough for amphibians

The decline in worldwide amphibian populations represents one of the largest biodiversity crises in modern history – caused, primarily, by the infectious disease chytridiomycosis (*Bd*).

A pioneering genetic study, conducted in partnership with the Spanish National Research Council and Imperial College London, used more than a decade's worth of data to investigate why some amphibian populations demonstrated a degree of resistance to the *Bd* fungus, while elsewhere the disease has contributed to catastrophic declines in similar animals. The evidence suggests that bacteria living naturally on amphibians' skin may provide a defence against the fungus. Our next goal is to determine exactly how these microbes may be protecting their hosts.



## Veterinary expertise in the field

The Amur tiger is low in numbers and Endangered in the wild, while the Amur leopard is Critically Endangered and reduced to a small, isolated population. Monitoring for disease that might affect these animals is vital – without quick intervention in the event of an outbreak, they could be lost forever. In their last wild home, the Russian Far East, we run a monitoring programme that involves collecting blood samples from smaller carnivores to check for diseases that could threaten big cats. We also provide veterinary care to tigers and leopards injured by poaching or car collisions, and train veterinary students in an effort to raise conservation capacity in the area.



Our experts help protect wild Amur tigers, as well as investigate marine mammal strandings and amphibian health (opposite)

2

young wild Amur tigers were rehabilitated at a centre in Russia and released back into the wild with the help of ZSL Russia's vet, with a further five set to be released in the near future

23

vets from developing countries attended a Wild Animal Health field course run by ZSL

70

students at Primorski State Agricultural Academy in the Russian Far East have been trained in animal cause-of-death diagnostics, post-mortem techniques and sample collection with ZSL's help



We believe that the future of the planet is inherently connected to understanding and improving **Wildlife Health**, hence our commitment to it as a strategic priority.

# Conservation for communities

**We work with communities worldwide to build resilient livelihoods, protect habitats and sustain environments for future generations.**

**H**uman development can only be sustainable if it does not destroy the ecosystems on which people and wildlife depend. Yet human populations continue to grow and their impacts are increasingly affecting every corner of the globe. Conserving biodiversity in the face of these pressures demands knowledge of the complex interdependencies between people and nature.

## Human-wildlife conflict

In Thailand, much of the Asian elephant's habitat is protected within a network of wildlife reserves, but these Endangered animals often enter human-inhabited areas. These encounters can result in crop and property damage, as well as injury or loss of life for both farmers and elephants. We have been working with 25 villages to collect data on these incidents and, at the end of 2017, we presented findings to each community to begin discussions about mitigation strategies. We continue to collect data and provide the villages with support, while using the results to analyse the underlying causes of crop raids by elephants.

Predation of livestock by large carnivores similarly often results in the loss of both animal and human life. We undertook new research in northern Tanzania to understand the social, economic and animal management implications of livestock loss to carnivores such as big cats. Our analysis of local attitudes and farming practices demonstrated the importance of fortified enclosures to reduce night-time livestock predation, and the research indicated that the presence of adult herders helps prevent losses during daytime grazing.

## Community-managed conservation

Conservation and development challenges often intersect at biodiversity hotspots in the tropics, where marginalised communities rely on natural resources for their livelihoods. In key countries across Africa and Asia, we offer development opportunities to local communities while also enabling the recovery of the critical ecosystems and wildlife on which they depend.

In the Philippines, our long-running programme of community-managed marine protected areas (MPAs) provides recovery time for declining species such as the

tiger-tail seahorse, as well as for mangrove habitats (critical nursery grounds for many fishes), while our locally managed supply chains boost sources of income. By supporting enterprises such as the recycling of discarded nylon fishing nets and the farming of seaweed for valuable carrageenan extract, and linking these improved incomes to conservation measures, we are able to increase the size and effectiveness of community-based MPAs. These supply chains are managed through community banks, providing much-needed access to financial services, as well as long-term, sustainable resource management without donor dependency.

In 2014, we began replicating this successful model in Cameroon's Lake Ossa ecosystem – a wildlife reserve that supports freshwater turtles, West African manatees and more than 35,000 people – and later on the coast of northern Mozambique, a biodiversity hotspot of the West Indian Ocean and one of the poorest areas in Africa. In 2018, we expanded this successful work into the Douala-Edéa Wildlife Reserve in Cameroon, which has some of the tallest mangroves in the world, as well as rainforest that supports elephants and chimpanzees. A pilot phase in Mozambique was completed in 2018, with eight villages successfully trialling a series of 'no-take' and 'temporary no-take' fishing zones; this approach will now be scaled up to secure a future for the 100,000 coastal community members and the wildlife that depends on the area.

## Working with UK communities

We also work closely with communities in the UK. Citizen scientists take an active role in our surveys of the Critically Endangered European eel (see page 34), river quality, invasive species and Thames marine mammals, as well as feeding into our data on the health of Britain's garden wildlife (see page 20). In addition to offering a great opportunity to educate the public on issues facing the UK's wildlife, our work with communities also allows us to scale up data collection and develop a better understanding of habitat quality and population changes.



ZSL is working with fishing communities in Mozambique (below) and reducing human conflict with large carnivores in Tanzania (opposite)

# 185

community banks have been set up with ZSL's help in Cameroon, Mozambique, Nepal and the Philippines to give people the chance to invest in their own development, and 5,219 individuals have directly benefited

# 550

incidents of elephant-human conflict have been analysed by ZSL in Thailand to find ways of tackling the issue

# 285

citizen scientists in London have been trained to take part in ZSL's Thames wildlife surveys



# 201

tonnes of nylon fishing nets have been recycled to date, thanks to our work with fishing communities (containing enough strand to stretch 4.5 times around the world!)

# 9,782

hectares of aquatic habitat have been placed under community protection from illegal fishing



Working with communities to help them live alongside wildlife will be central to our work around **Wildlife & People**.

# Engaging with business

**We engage with a variety of businesses to develop sustainable working practices that limit the impact of human activity on biodiversity.**

In 2010, no fewer than 193 countries agreed to adopt the Aichi Biodiversity Targets. One of the goals is to ‘reduce the direct pressures on biodiversity and promote sustainable use’, and we are working hard to ensure sustainable use is a key component in a variety of business models.

## The landscape approach

KELOLA Sendang, our largest-ever field conservation project, continues to be implemented across 1.6 million hectares of South Sumatra. Designed to support the Sumatran Government’s Green Growth Vision, the project area is home to half a million people, 30 agro-businesses (palm oil, timber, pulp and rubber) and around



30 Critically Endangered

Sumatran tigers. Alongside our partners, we are currently working with large businesses, smallholders and villages to develop sustainable business practices and agree land-use areas. In particular, we have signed agreements and worked with two companies,

PT Global Alam Lestari and PT Hindoli, on restoring peat habitat, biodiversity monitoring and fire prevention. The ultimate aim is to join up pockets of forest around the region to create ‘stepping stones’ for wildlife, allowing animals to move freely and humans to live more sustainably.

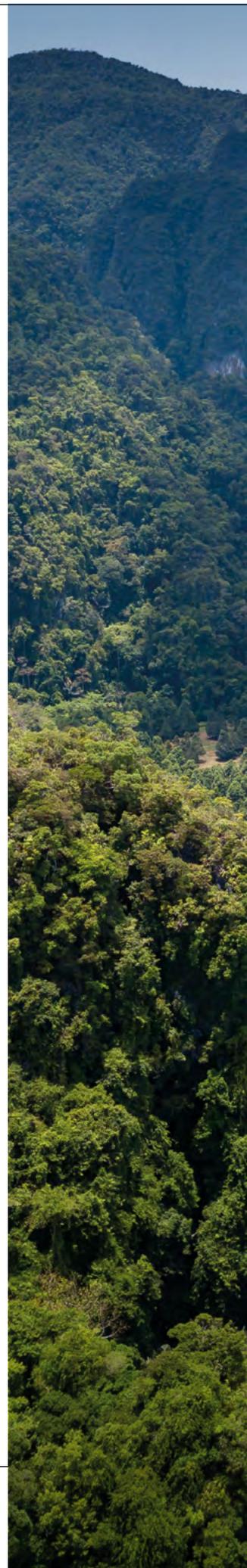
## Encouraging sustainable business

Our SPOTT (Sustainability Policy Transparency Toolkit) initiative assesses palm oil and timber producers and traders on the clarity of their policies and commitments to environmental, social and governance best practice. The resulting league table, published annually, provides investors and buyers with a guide to industry transparency – driving producers to improve their practices. SPOTT relaunched in 2017 to include 24 timber and pulp producers alongside the 50 palm oil manufacturers already assessed. We also co-published a report with Aviva Investors on responsible investment and sustainable palm oil. On the ground, we are working in areas such as south-east Cameroon – home to forest elephants and a variety of great apes – to encourage timber companies to minimise their impacts on wildlife by providing training and putting anti-poaching safeguards in place.

## Cutting London’s plastic usage

Plastic usage and its terrible impact on marine life gained greater visibility in 2017 following the launch of the BBC’s *Blue Planet II*, which we advised on, and we are leading the charge to cut the capital’s plastic waste. Straddling the tidal Thames, which feeds directly into the North Sea, London is a coastal city. Our #OneLess collaboration is encouraging businesses to reduce their single-use plastic water bottle usage, with the aim of bringing a ‘refill revolution’ to London.

We have been working closely with the Mayor of London to develop strategies that will reduce the use of these water bottles in the capital. We are currently piloting a series of water fountains across the city, and have set up a Thames bottle-monitoring programme to help us understand how much plastic pollution is entering the waterway. Our Zoos have also made changes to plastic usage, removing single-use plastic bottles from sale and replacing plastic cutlery and food packaging with starch-based alternatives.



SPOTT addresses the impacts of palm oil plantations like this one in Thailand, while #OneLess (opposite) is tackling plastic pollution

# 3,000

users visit our SPOTT website each month

## 38 of 50

palm oil companies assessed have improved their SPOTT score

## 1,095

rubber and palm oil smallholders in South Sumatra were trained in sustainable management practices with our help

## 269

pollution events in the River Thames were logged with our partners, Thames Water and the Environment Agency, through our *Outfall Safari* app



We will be working to engage with policymakers in a more systematic and effective way to change the rules in favour of wildlife.

# Encouraging lifelong learning

**We are committed to inspiring, informing and empowering people to stop wild animals going extinct by teaching others about the value of the natural world.**

Communicating conservation science to the public (and to other conservation scientists) is an essential part of our work, and we pride ourselves on our innovative approach. In 2017 we received a BIAZA Gold Education Award in recognition of our ‘CSI of the Sea’ events – marine mammal post-mortems, broadcast live via YouTube, which highlight the work of our Cetacean Strandings Investigation Programme (CSIP). These events increase public understanding of important conservation issues, such as the devastating effect of marine pollution on apex predators.

Another of our learning initiatives also received industry recognition in 2017. The United for Wildlife online learning platform, produced by ZSL, hosts a series of free online courses designed to inspire a global audience to care about conservation. The courses won Gold for ‘Best learning technologies project in the international public and non-profit sector’ at the Learning Technologies 2017 Awards.

## Empowering tomorrow’s conservationists

In the field, our EDGE of Existence programme now supports 29 early-career conservationists from 24 countries through Fellowships. Each Fellow focuses on an Evolutionarily Distinct and Globally Endangered species, and receives training in a range of skills, including leadership, fundraising and scientific writing.

Our in-Zoo learning programmes support children from a young age, building their knowledge of biological sciences and inspiring them to both care about the natural world and consider its potential as a career. Our school sessions are part of the national curriculum, and over 150,000 children visited one of our Zoos on a school trip this financial year.

Soapbox Science, our public outreach initiative for promoting women in science, celebrated its biggest year to date, with 252 women taking part and 21 events worldwide, including Canada, Germany and Ireland. Taking inspiration from Speakers’ Corner in London, Soapbox Science gives the public the opportunity to learn from and interact with some of the leading women in science.

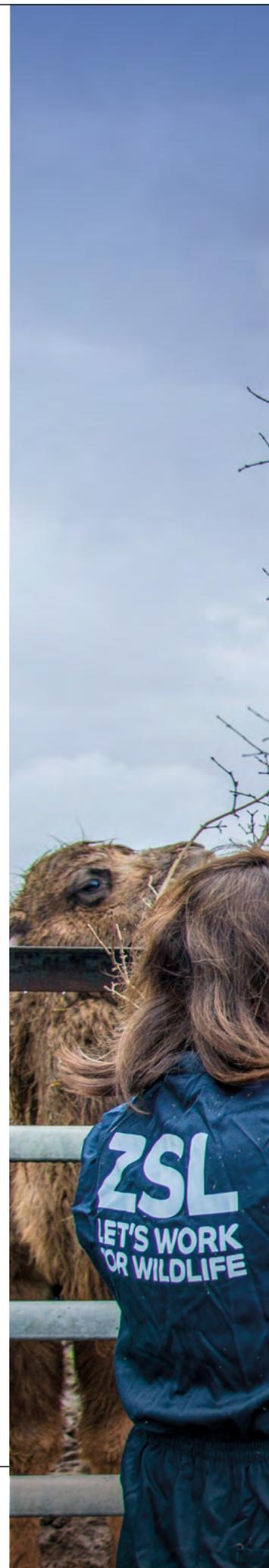
## Engaging with science

Alongside talking to the conservationists of the future, it is important we reach those in the field today, and we do this in a number of ways, including through our own events and journals. In 2018, the Safeguarding Space for Nature symposium brought together international scientists, conservation practitioners, policymakers, business leaders, civil society and donors to review the science behind protected area conservation targets. The outputs will feed into the next Convention on Biological Diversity conference in 2018.

Our foremost scientific event of the year, the Stamford Raffles Lecture, welcomed Professor Yadvinder Malhi of the University of Oxford in 2017 for his lecture ‘How animals shape habitats, ecosystems and the global biosphere’. We also continued to run free science and conservation talks for the public. Highlights included ‘Collaborating for conservation in China’ and ‘Ecosystems under the microscope: why microbes matter for conservation’.

## Valuable archives

In honour of HRH The Duke of Edinburgh’s long support, we renamed our library the Prince Philip Zoological Library and Archives. The library played a vital part in the creation of the BBC One documentary *Attenborough and the Giant Elephant*, seen by 5.4 million. It hosted much of the filming and provided many archive items about Jumbo the elephant.



From offering experiences such as Keeper for a Day to (opposite) inspiring the public via Soapbox Science, ZSL supports lifelong learning

**123**

MSc students were taught at ZSL

**65**

PhD students were taught at ZSL

**214**

peer-reviewed papers were published by ZSL

**251**

people attended the Safeguarding Space for Nature symposium and heard 35 speakers from 12 countries

**784**

young people attended one of our 79 specially organised training days, such as Careers Days, Zoo Academy or the Animal Careers Conference

**13,000**

learners from 193 countries have registered with United for Wildlife online courses run by ZSL

**96.6%**

of United for Wildlife learners said they would take action on conservation as a result of doing their course



Our purpose to inspire, inform and empower people will be the cornerstone of an engagement plan developed to enhance our relationships with all our audiences.



# Making our work possible

**The reach of our global conservation mission, our groundbreaking scientific research and the calibre of our two Zoos are only made possible by the dedication of our people, whose tireless efforts allow us to generate vital funds and develop essential resources.**

**E**nsuring visitors to both Zoos have the best possible experience is an important part of engaging visitors with our conservation messages, and a major focus for ZSL Whipsnade Zoo has been the redevelopment

of the food on offer. New partner Levy UK has helped us overhaul our catering outlets across the Zoo, including revamping the Base Camp restaurant with an improved menu and tablet-based table service to speed up the ordering process for busy families. Another highlight was the opening of River Cottage Kitchen and Deli in collaboration with food writer and campaigner Hugh Fearnley-Whittingstall. With an ethos of ethically sourced food, the restaurant offers visitors a remarkable dining experience while they enjoy a view of our herd of white rhinos and the picturesque Chiltern Hills.

## Expanding our audience

With the increased competitiveness of visitor attractions across the UK, the adverse effects of poor weather and three recent terrorism incidents in the UK, we have been working hard to find new ways to attract visitors and share our conservation message with the public.

In 2017 we launched two new evening events, Zoo Nights at ZSL London Zoo and Wild Lights at

ZSL Whipsnade Zoo. An adults-only evening of Zoo trails, wildlife-based talks and street food, Zoo Nights sold out on six of the seven nights offered during the summer.

It enabled us to reach new audiences, with a large majority of attendees coming to the Zoo for the first time. Meanwhile,

Wild Lights offered visitors a Christmas light trail around the Zoo and themed food stops, driving revenue in a traditionally quiet time of year.

Last year also saw the launch of our partnership with the Oasis clothing brand as well as a #ZooLife marketing campaign for both Zoos. The fashion collection with Oasis put conservation issues and ZSL's brand squarely on the high street, while #ZooLife led with 'great days out that make a real difference', emphasising ZSL's

unique position as both a wonderful Zoo experience and a global conservation champion.

Moving into 2018, we launched our Superhero

Takeover in March with a new trail around both Zoos, highlighting the incredible abilities possessed by animals in our collection.

The theme will continue throughout 2018, with the emphasis switching first to the heroic efforts of our people and finally to the ways visitors can champion the natural world in their own lives.

## Investing in our people

The passion, ingenuity and diversity of our people make our work possible, and we continue to invest in their development.

In recognition of this, we swept the board at the 2017 HR Excellence Awards,



ZSL WHIPSNADE ZOO

Sundown visits proved popular at Sunset Safari, while (opposite) we unveiled a new River Cottage restaurant and Oasis fashion range

# 33,750

Zoo Nights tickets were sold in 2017, 71% to visitors who had never attended a ZSL event before



# 5,372

Wild Lights tickets were sold, with 81% of visitors rating the event as good or excellent

winning Best HR Team, HR Director of the Year and the HR Excellence Gold Award.

Another major success has been the introduction of an online learning platform for our staff, ensuring greater accessibility to training for our people

– particularly those working overseas – and increasing our ability to monitor staff development. Since

the introduction of the platform, the number of learning activities has increased significantly.

Last year also saw the successful recruitment of two digital marketing apprentices, with a further two more existing employees undertaking engineering apprenticeships at a

local college to advance their skills. We are part of a

consortium of national zoos working with BIAZA (the British and Irish Association of Zoos and Aquariums) to develop a zookeeper apprenticeship programme, which will allow us to utilise the Apprenticeship Levy and save on training costs in the future. We also work with local further education colleges to provide training and interviewing opportunities to students and to provide opportunities for participants to apply for seasonal roles at both Zoos. Over the year we hired a total of eight students.



**Health and safety first**

In 2017 we launched our partnership with international health and safety specialists Falck Global Assistance. Under this agreement, our people have 24-hours-a-day, 365-days-a-year access to medical, security and logistical assistance across the globe.

In the UK, we have been developing a stronger security relationship with the Home Office as well as with local police departments. ZSL London Zoo took

part in the London Metropolitan Police's Project Servator, which involved both plain-clothed and uniformed police officers visiting the Zoo and talking to our visitors to provide public reassurance during the summer.



**940**

ZSL people have participated in core skills training, including inductions, health and safety, IT and communication skills

**354**

ZSL people have had external, role-specific training

**120**

ZSL people have completed behavioural skills training

Almost

**20,000**

press articles featured ZSL, with our biggest articles generating an EAV of £68m

Wherever our staff go, they enjoy 24-hours-a-day support; while (opposite) our Zoos provide safe and engaging visitor experiences



50,347

hours of time have been  
donated by ZSL learning volunteers

# Looking ahead

**ZSL 200 gives us a clear vision for the years ahead, and the next 12 months will focus on ensuring the Society is equipped to deliver the new strategy.**

**O**ur vision is bold – we are striving for a world where wildlife thrives – and we will achieve this by inspiring, informing and empowering people to stop wild animals going extinct. These are the golden threads that will run through everything we do. Here is how we plan to deliver our vision:

## Transforming our Zoos

Our living collection has been at the heart of who we are and what we do since our foundation in 1826 and will proudly remain so during our third century. The Zoos play a vital role in conservation and already inspire so many, but we can do more. By our

200th anniversary, we will aim to transform our two Zoos into shared spaces of wonder, with coexistence between humans and animals at their heart. They will provide immersive visitor experiences – something ZSL already excels at – that put knowledge of ecosystems, habitats and environments at their core. We are also developing a more systematic approach to planning species acquisitions that will give clarity and confidence about why every animal is in our Zoos.

Three new projects on the immediate horizon will see ZSL's Zoos become more immersive than ever. We will be creating **new aquatic displays** at both our Zoos to showcase some of the incredible species we hold as we move to retire our existing Aquarium building, which is no

longer suitable. Our coral reef species and seahorses will move to the *B.U.G.S!* (Biodiversity Underpinning Global Survival) building at ZSL London Zoo, where we will highlight our work with wildlife and people in the Pacific and Indian Oceans. Meanwhile, at ZSL Whipsnade Zoo we will create a new aquatic experience to tell the inspiring story of our conservation work to halt the extinction of many of the planet's freshwater fishes. It will be an intricate project to move 5,818 fish – living in 124 tanks filled with 178,817 litres of water – safely to their new premises, and we aim to complete it by winter 2019.

In the wake of a fire that damaged the *Animal Adventure* area of ZSL London Zoo, we are working on **Project Blossom** to redevelop the area for visitors. The new exhibit will be fun and inspiring, bringing to life the natural world for a young audience.

In 2019 we will move from design to implementation of the **Snowdon Aviary**. The incredible new immersive exhibit will be a home to our family of black-and-white



colobus monkeys, as well as to Endangered African grey parrots. The transformation will also include an innovative community learning space in which we will be engaging with local people, including those from disadvantaged backgrounds or with learning difficulties.

### Global conservation challenges – a focused approach

ZSL's position as a politically neutral, science-based conservation agency has given us a great track record in providing international organisations, governments and businesses with accurate information and unbiased advice to help shape policy decisions affecting wildlife conservation. Our new **Policy Group** will build on this trusted status to expand our influence in this arena, changing the ground rules in favour of wildlife.

We will **reshape our overseas networks** to be truly representative of all that ZSL has to offer. We will build on our success in landscapes, seascapes and freshwater habitats where the natural environment can support biodiversity on a large scale, where the need is great, and where we can genuinely help. We will work with local communities, businesses and government agencies towards integrated habitat management, focusing skills from

across ZSL to ensure we apply strong science, good community engagement and best-practice conservation in all our activities.

We will develop a suite of online training courses for protected area managers, roll out our successful community resource management model in additional areas, and expand our work with business to additional soft commodities such as rubber, driving mitigation of industry impacts on biodiversity through improved transparency.

### Leading the way in science

ZSL already has a reputation for scientific excellence. We have been at the forefront of making the world aware of the impacts of disease and pollutants on animals – and part of this success is down to the range of expertise we are uniquely able to bring to bear. Our experts in veterinary medicine, biological science, ecology and zoological husbandry ensure that we look at and develop solutions to conservation issues in a holistic manner.

This collaborative mindset has inspired our plans to develop a **new science for conservation campus** at ZSL London Zoo. Through this project we hope to join forces with University College London and the Royal Veterinary College to bring together

the very best minds and resources in human, wildlife and domestic animal health, so that we can drive the 'One Health' agenda together.

This will be an independently funded project that includes incredible opportunities to scale up our science engagement, our student intake and our wildlife health science. We already do astounding work, and we need our facilities to reflect that and give us the space to grow.

### Empowering those around us

People are integral to achieving our goals, and our iconic Zoos at the heart of London and in the picturesque Chilterns have helped us to develop a family of visitors, members and local communities who share our vision for a world where wildlife thrives.

We will aim to achieve impact by expanding this network of wildlife supporters, as well as leveraging the passion of individuals in government and the business community, to ensure that our influence in the UK and overseas secures long-term success for wildlife.

We will lead from the front in terms of sustainability, and use the United Nations Sustainable Development Goals as a measure of our commitment to the planet.



The future of ZSL will see us transforming our Zoos, developing a focused approach to global conservation and developing a world-leading science campus.

# Supporting our work

**Our work inspires support from many different quarters; individuals, businesses, governments and foundations contribute to our projects in order to make a real difference, and we are grateful to all of them.**

**A** major focus for 2017-18 was raising funds to redevelop the Snowdon Aviary at ZSL London Zoo as a home for our colobus monkeys. Through pledges from our supporters and a commitment from the Heritage Lottery Fund, we have secured most of the funding and are on track to open the new exhibit in 2020. We are using this project as a catalyst to transform the way we work with our local community, incorporating into it a range of activities for under-represented audiences to enjoy, and are working closely with architects Foster + Partners on the design.

## New relationships

Alongside this we have built some exciting new relationships. The National Geographic Society is now supporting a wide range of work, including the EDGE of Existence programme and our #OneLess initiative, and the Postcode Planet Trust (supported by players of People's Postcode Lottery) is helping to fund the development of Instant Detect 2.0 and our work protecting the mangroves and manatees (pictured right) of Cameroon's Douala-Edéa landscape. We were also proud to be selected by Royal Bank of Canada in 2018 as their Environmental Charity Partner in the UK. Their support empowers our work to safeguard the Thames which, alongside much else that we do, delivers against the United Nations Sustainable Development Goals.



## Support for global conservation

We remain grateful to the Bertarelli Foundation, whose support enables our marine science and conservation programme in the British Indian Ocean Territory – one of the most pristine areas of ocean left in the world. Fondation Segré's ongoing support for pangolin conservation and our EDGE Fellowship programme is also much appreciated, while the #OneLess campaign

to inspire a refill revolution has received new support from the Oak Foundation alongside ongoing funding from the Calouste Gulbenkian Foundation. Meanwhile, we proudly collaborated in the Bloomberg Tradebook Charity Day, and were grateful for Bloomberg's support of Zoohackathon – a day that brought together coders, creatives and conservation experts to develop solutions to help reduce demand for wildlife products.

The UK Government's Darwin Initiative and Illegal Wildlife Trade Challenge Fund, along with the US Fish and Wildlife Service and Department of State, made crucial awards last year towards our international efforts to counter the illegal wildlife trade, conserve

gharial crocodiles in Nepal, and enable communities in the Philippines to sustainably manage their aquatic resources. UK Aid from the Government, along with support from the Global Environment Facility through the United Nations Development Programme, continues to fund our landscape-level conservation programme in South Sumatra, as well as support ongoing development of the innovative Rhino Impact Investment project. Our work to secure transborder conservation of tigers across India and Nepal receives funding from the IUCN-KfW Integrated Tiger Habitat Conservation Programme, while the EU supports our work to conserve the wildlife of Cameroon's Dja Biosphere Reserve, a World Heritage Site. Closer to home the EU's Maritime and Fisheries Fund is now supporting our eel-focused citizen science and oyster restoration programmes in the UK.

## Individual supporters and donors

Our numbers of Fellows and Patrons continue to grow, and their committed support is critical to our success in working for wildlife. Individuals continue to support our conservation programmes and Zoos, enabling our work with animals and habitats across the globe, from the foothills of the Himalayas to the coral reefs of Mozambique.



On World Lion Day we celebrated five years of support from specialist fund management group Liontrust, whose funding has aided the running of *Land of the Lions* as well as our conservation of wild Asiatic lions

**100,100**

people are currently  
members of ZSL

**199**

supporters donated to our  
Snowdon Aviary appeal in 2017-18

**17**

**legacy  
donations**  
were given to ZSL in 2017-18



**392**

number of Patrons

**4,475**

number of Fellows

**Get involved**

To find out how to support ZSL,  
visit [zsl.org/get-involved](https://zsl.org/get-involved)

# Our supporters

**ZSL's achievements would not be possible without the generosity of its supporters. We would like to thank all the individuals and agencies mentioned in these pages, as well as those not listed here.**

Our cause and our supporters are at the heart of ZSL's approach to fundraising. There are a number of different ways that supporters can give to ZSL: from donating at one of our Zoos, to joining as a Patron, to planned giving, we understand that people want to support us in a way that is best for them, and delivers the maximum impact. We update our supporters using a variety of channels, from direct mail to digital communications, and engage with external organisations to help us. We ensure that robust, monitored contracts are in place to ensure applicable laws, such as the General Data Protection Regulation and Data Protection Act 2018, are followed. We always strive for the highest standards.

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We are registered with the Fundraising Regulator and follow its guidance on fundraising. In the event that a supporter or member of the public were unhappy with the outcome of a complaint to us, then that person has the right to escalate it to the Fundraising Regulator. We continue to develop our fundraising, adapting to any new challenges or regulatory changes that may arise, and remain committed to responsible fundraising.

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# Financial summary

**Sound management has ensured that ZSL's finances remain robust in spite of testing times for visitor attractions.**

**D**uring 2016-17, ZSL changed its year end from 31 December to 30 April, to enable budgeting and business planning processes during the quieter months. This change in financial year end extended the prior reporting period from 12 to 16 months for 2016-17. The current financial year, 2017-18, and all future years will be 12 months to 30 April.

During a period of challenging political and economic conditions, with terror incidents in the UK, our Zoo visitor numbers saw a fall of 14% compared to the equivalent 12-month period last year, as tourists and visitors – and particularly families – avoided city-centre attractions. As with many other visitor attractions in London, this impacted ZSL's admissions, catering and retail income. As a result, expenditure was robustly managed through efficiencies and best practices during the year, to help mitigate the fall in Zoo income.

The year of challenging market conditions meant that ZSL's total income for the 12-month

financial period on a like-for-like basis was £0.6m lower than in a 12-month pro rata basis for 2016-17, calculated as 12/16th of the full 16-month reporting period in 2016-17 (2017-18: £63.6m; 2016-17: £85.6m for 16 months and £64.2m on a 12-month pro rata basis). While the reported total income for 2017-18 was higher at £65.6m, this included £2m of gross catering income, as we changed the basis of the ZSL London Zoo catering contract during the year, which resulted in us recognising the full value of income (and cost of sales) from catering sales, rather than only the commission income reflected in 2016-17. Income through our Zoos of £34.2m (2016-17: £48.9m – 16 months), therefore, did not quite reach the levels we saw in the same 12-month period in the prior year.

As well as the admission income from our Zoos, membership schemes, grants and donations, all profits from our trading activities are used to support our charitable activities. In addition to the funding generated through our Zoos, we also raise funding from individuals, trusts and foundations, research institutions, companies and Government

agencies to fund our conservation and science work. Expenditure on our field conservation programmes decreased slightly from £18m for 2016-17 (16 months – £13.5m on an equivalent 12-month basis) to £13.4m in 2017-18 (12 months) as we continued our international fieldwork, particularly across Asia and Africa.

We have continued to secure new large-scale grants for our conservation and science work in the UK and overseas, going forward. The generous support that we receive from our funders, donors and the visitors to our Zoos remains critical to ensuring that we can sustain our vital conservation work into the future.

## Income

For 2017-18, ZSL's total income increased 2.2% on a pro rata 12-month basis compared to 2016-17 (£85.6m in 2016-17 (16 months), to £65.6m in 2017-18).

This income derives principally from admissions to our two Zoos, our membership schemes, and trading income from our commercial activities such as merchandising, catering and lodges, as well as grants and donations from those who support our work.

## FINANCIAL HIGHLIGHTS

£m	2017-18 12 MONTHS			
	CHARITABLE ACTIVITIES <sup>1</sup>	TRADING <sup>2</sup>	OTHER <sup>3</sup>	TOTAL
INCOME	54.4	11.1	0.1	65.6
COSTS	(54.4)	(9.9)	4.9	(59.4)
SURPLUS	0.0	1.2	5.0	6.2

£m	2016-17 16 MONTHS			
	CHARITABLE ACTIVITIES <sup>1</sup>	TRADING <sup>2</sup>	OTHER <sup>3</sup>	TOTAL
INCOME	72.9	12.5	0.2	85.6
COSTS	(76.8)	(9.7)	1.8	(84.7)
SURPLUS	(3.9)	2.8	2	0.9

£m	2017-18 12 MONTHS	2016-17 16 MONTHS
	£m	£m
CAPITAL EXPENDITURE	2.7	6.2
CASH AND INVESTMENTS	23.2	21.2
GENERAL RESERVES <sup>4</sup>	7.0	3.2
UNRESTRICTED LIQUIDITY <sup>5</sup>	6.9	8.2

<sup>1</sup> Includes Zoo, membership, education, conservation programmes and science (Institute of Zoology), donations and legacies

<sup>2</sup> Includes retail, catering, lodges at both Zoos and events/conferences

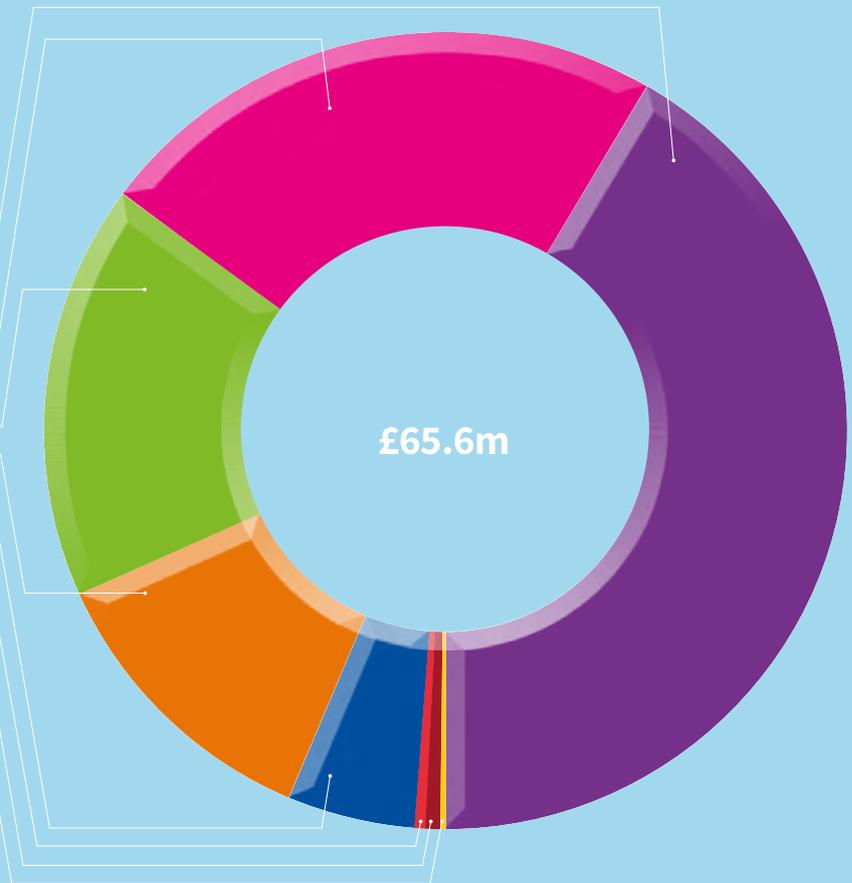
<sup>3</sup> Includes gains on investments, VAT rebates from HMRC and movements on pension liabilities

<sup>4</sup> Funds not tied up in tangible fixed assets and other designated funds, restricted funds, and after pension asset and liabilities

<sup>5</sup> Unrestricted liquidity comprises total cash balance after restricted funds

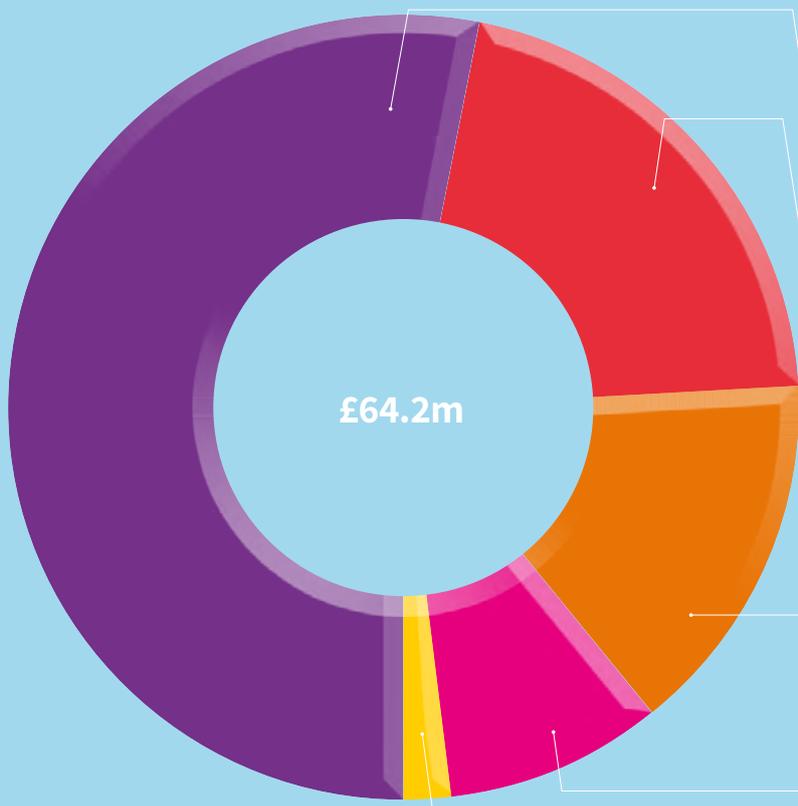
**WHERE OUR INCOME CAME FROM IN 2017-18**  
(12 MONTHS)

- Zoo admissions **£26.4m**
- Grants and foundations **£15.1m**
- Trading **£11.1m**
- Memberships **£7.8m**
- Donations and legacies **£4.4m**
- Sponsorships and promotions **£0.3m**
- Events and publications **£0.4m**
- Investment income **£0.1m**



**WHERE OUR MONEY WAS SPENT IN 2017-18**  
(12 MONTHS)

- Zoo animal collection and conservation **£33.9m**
- Field conservation **£13.4m**
- Costs of trading **£9.9m**
- Science and research **£5.5m**
- Cost of raising funds **£1.5m**



**Zoo admission and membership schemes**

With the fall in visitor numbers at both ZSL London (14%) and Whipsnade Zoos (13%) on a 12-month pro rata basis, their respective incomes fell by 8.4% and 8.8% on the previous same 12 months (2016-17). The numbers subscribing to our membership schemes started to come under pressure due to the fall in visitor numbers, as Zoo visits are the main driver of membership recruitment.

**Commercial income**

The ZSL London Zoo catering contract was changed during the year, which has resulted in the full income (and cost of sales) being recognised, whereas previously only the commission income was received from the catering company. On a like-for-like, 12-month pro rata basis, commercial income from the shops, catering outlets and lodges in our Zoos (excluding the impact of the change in catering contract) decreased by 4% to £11.1m in 2017-18.

**Donations and legacies**

Donations and legacies in 2017-18 totalled £4.4m compared to £6.3m in 2016-17 (16 months), with corporate sponsorships and promotions becoming an increasingly important source of income to support our charitable work as we expand our conservation efforts overseas.

**Grant income**

Grant income from institutional donors, Government agencies, trusts, foundations and private individuals grew by 17% on a pro rata basis during 2017-18 (12 months) to £15.1m compared to £12.9m on a pro rata 12-month basis in 2016-17 (£17.2m for 16 months in 2016-17). This income provides essential funding for our field conservation, science and research work. This increase has enabled the growth in our international programmes in Asia and Africa. This income is primarily restricted to the specific projects that we undertake.

**Investment income**

We hold listed investments provided from restricted endowments and a scientific fund, together with funds held on our general reserves. The investment portfolio grew 5% (£0.3m) in the year to £5.7m.

**Expenditure**

The Statement of Financial Activities (SOFA) shows the analysis of charitable activities and raising funds split between animal collections, science and research, and field conservation. Total spending on charitable activities was £64.2m for 2017-18 (12 months). Included within the £64.2m total expenditure for the

year is an exceptional pension curtailment gain of £2.9m, due to the closure of the ZS 1988 pension scheme to future accrual. This gain is reflected across all categories of expenditure as it is related to employment costs across all of these areas. Total expenditure before this gain, and before the £2m impact on cost of sales as a result of the change in catering contract at ZSL London Zoo, was £65.1m compared to £64m in 2016-17 on a pro rata 12-month basis (£85.4m for 16 months in 2016-17). The pro rata increase of £1.1m is due to the need to increase the capacity of our management and administrative functions to support the ongoing expansion of our conservation work internationally, and general inflation on costs across the Society.

During the year we spent £13.4m on field conservation work in the UK and internationally, which was £3.2m more than the funding we received from Government agencies, trusts, foundations and private individuals in the year for the specific projects we carried out. This additional expenditure was funded from the income that we generated through our Zoos and unrestricted donations – which are vital sources of funding for our conservation work, and from our unrestricted reserves.

**Capital expenditure and disposals**

ZSL has a continuous programme to replace old exhibits with new ones that improve animal welfare and lower maintenance and utilities costs, as well as new visitor experiences aligned with our conservation mission.

After many years of considerable capital investment to ensure both Zoos continue to provide high standards of welfare for our animals and to enhance our visitor experience through developing engaging new exhibits, 2017-18 saw lower investment, with lower capital expenditure of £2.7m (2016-17: £6.2m for 16 months). Capital expenditure is cyclical in nature, with large investments in the past few years including the *Centre for Elephant Care* at ZSL Whipsnade Zoo and *Land of the Lions* at ZSL London Zoo. The focus during 2017-18 was on improving our existing exhibits; supporting visitor experiences such as better parking facilities and improvements in visitor access; refurbishing staff offices and automating some of our processes to improve efficiency.

During the year, fixed assets with a net book value of £0.3m were destroyed in a fire. These assets were fully insured, but due to ongoing evaluation with insurers, it is not possible to quantify with certainty the amount that will be received from our forthcoming insurance claim. Therefore no income or asset has been recognised in the financial statements, except the impairment of the carrying value of the assets destroyed in the fire.

**Reserves policy**

Reserves are maintained at a level that enables ZSL to manage financial risk and short-term income volatility. They allow us to sustain optimal levels of science, research and conservation work over the long term, provide appropriate care for the animals in our Zoos, and maintain the infrastructure that allows us to operate – ensuring that financial commitments can be met as they fall due.

ZSL's Council of Trustees has set a minimum liquidity and general reserves requirement to ensure the financial sustainability of the Society. The reserves target is based on the relationship between readily realisable cash and investments, future liabilities for committed capital developments, the cash requirements for sustaining ZSL's operations for a period of time and the level of general reserves required to support this.

ZSL's policy concerning the level of cash and investments and general reserves is to have funds available to cover the costs of running the Zoos during an emergency closure to the public for a period of up to three months, as well as ZSL's pension commitments, and to meet liabilities as they fall due.

The Trustees' minimum liquidity and general reserves target is to hold readily realisable cash and investments and general reserves in excess of £6.7m. The policy is reviewed annually in connection with the setting of revenue and capital budgets and the charitable activities planned for the year.

At 30 April 2018, ZSL held £6.9m of unrestricted cash (2017: £8.2m) plus £2.2m of unrestricted readily realisable investments (2017: £2.2m), which together was £2.4m in excess of the target minimum. The fall is attributable to the lower visitor income on a like-for-like basis, taking into account the change in the catering contractual arrangements.

Total funds held at 30 April 2018 amounted to £72m (2017: £65.7m), of which £10.5m (2017: £7.6m) is restricted. Included within restricted funds are endowment funds of £0.9m (2017: £0.9m) relating to the De Arroyave fund, Fantham Bequest and Davis investments, and restricted funds relating to grant-funded conservation and science projects of £6.5m (2017: £3.8m) for research work expected to be carried out in future periods.

Unrestricted funds held at 30 April 2018 totalled £61.4m (2017: £58.1m). This comprised designated funds of £54.5m (2017: £54.9m), of which the majority relates to fixed assets of £49m (2017: £50.8m) and predominantly reflects land and buildings on our Regent's Park and Whipsnade sites, which include our Zoos, science and animal welfare facilities. Other designated balances of £5.5m (2017: £4.1m) include £2.2m (2017: £0.8m) to support

After several years of considerable capital expenditure, in 2017-18 we invested in existing Zoo facilities and experiences



£2.7m

was spent in capital expenditure, largely on improving existing exhibits and enhancing visitor experiences

the development of our science work as we transition away from the restricted funding that we received from the Higher Education Funding Council for England, which closed in March 2018, to future restricted funding sources from Research England.

General reserves (that is, those funds not tied up in tangible fixed assets and other designated funds, and excluding any pension asset/(liability) and excluding restricted funds) decreased during 2017-18 to £3.8m at 30 April 2018 (30 April 2017: £6.6m), due to the lower general surplus in the year.

The general reserves at 30 April 2018 are £2.9m below ZSL's general reserves target (2017: £0.1m above) of £6.7m. Due to the seasonal nature of visitor income, March and April are when general reserves are at their lowest, peaking in September at the end of the high season. The Trustees are committed to increasing the level of general reserves through commercial activity and visitor income from our Zoos, general fundraising activities and through managing the phasing of future capital developments in order to build up the general reserves to reach their target level.

### Investment policy

The investment policy is designed to support the reserves policy. ZSL seeks to adopt a cautious, prudent and well-diversified investment stance to balance potential returns with appropriate levels of risk, while paying regard to our mission objectives.

The Charter and Byelaws of ZSL give the Trustees the right to invest the funds of the Society in such investments, securities or property as may be thought fit. Investments are managed by Newton Investment Management Limited, Blackrock and M&G Investments, which have been instructed not to directly make investments that are contrary to ZSL's stated purpose and objectives. Specific areas of constraint in investment include companies involved in animal testing, marine harvesting, high-environmental-impact products and practices using Red List ingredients and substances, and those using tropical hardwoods from unsustainable sources. All shareholder voting is to be conducted in line with these guidelines and principles.

ZSL holds most of its available funds in bank and short-term deposits, which at 30 April 2018 totalled £17.5m (30 April 2017: £15.7m), being the total of restricted, designated and general funds. In addition, ZSL holds listed investments of £5.7m (2017: £5.4m), the majority in the Newton Investment Management Limited 'Socially Responsible Investment (SRI) Fund for Charities'. This contains a mixture of funds with the intention of providing a balance between capital growth and income. The remainder are

held in M&G Investments' Charifund, Blackrock, and a small number of listed investments.

ZSL ensures that performance is managed against appropriate benchmarks. The income from investments for the year was £0.1m (2017: £0.2m – 16-month period) and investment gains totalled £0.3m (2017: £0.8m – 16-month period). A review of the investment policy is conducted every year.

### Pension schemes

Due to the increasing cost of the ZS 1988 defined-benefit scheme, following a formal consultation process with employee members the scheme closed to the future accrual of benefits on 31 December 2017. Previously the scheme was closed to employees joining after 30 June 2011, with an auto-enrolment defined-contribution scheme for new employees.

The valuation of our ZS 1988 defined-benefit pension scheme, per the Financial Reporting Council's Financial Reporting Standard 102, shows a surplus of £3.2m at 30 April 2018 (2017: deficit £3.4m).

The approach used for setting assumptions is to reflect market conditions at the year end, expected pay inflation and mortality assumptions. The main driver of the valuation gain during 2017-18 compared to 30 April 2017 is the closure of the scheme to future accrual, which decreased the expected rate at which accrued benefits increase in the future and therefore decreased the value of the scheme's liabilities, resulting in a curtailment gain of £2.9m in 2018. The most recent comprehensive actuarial triannual valuation of the scheme, in accordance with Section 224(1) of the Pensions Act 2004, was carried out as at 30 June 2017, taking into account the closure to future accrual. This showed a scheme surplus of £0.7m, with scheme assets sufficient to cover 101% of its technical provisions.

Funding levels of the ZS 1988 scheme continue to be monitored by ZSL and the pension fund Trustees. Following the closure of the scheme to future accrual, the pension fund Trustees have reviewed the investment strategy, and will be implementing a liability-driven investment strategy to reduce the volatility in the scheme valuation and limit the funds' exposure to inflation and interest rates.

In addition, per Financial Reporting Standard 102, ZSL is required to account for its share of the future contributions required to address the deficit to the Universities Superannuation Scheme (USS). As at 30 April 2018, the provision in respect of these contributions was £0.4m (2017: £0.6m).

### Subsidiaries

Merchandising and catering are undertaken by Zoo Enterprises Limited (ZEL), a subsidiary

trading company, with the taxable net profits distributed to the Society annually.

Total income of ZEL during 2017-18 was £11.1m for 12 months (2017: £12.5m – 16 months), with a profit of £1.1m (2017: £2.9m – 16 months). Income for 2017-18 is proportionately higher than the prior accounting period, despite a fall in visitor income as we changed the basis of the contract with our caterer. Until October 2017, ZSL only recognised as income the commission received from the outsourced catering company. Following the change in contract, ZSL recognised the full value of catering sales. The relative fall in profits between the extended 2017 accounting period and 2017-18 has been driven by the higher cost of imported retail goods due to the devaluation of sterling, as well as salary cost-of-living rises.

### Financial position and going concern

The Council of Trustees considers that there are sufficient general reserves and designated assets held at the year end to manage any foreseeable downturn in the UK and global economies. The Trustees consider that there is a reasonable expectation that ZSL has adequate resources to continue in operational existence for the foreseeable future and, for this reason, the Council of Trustees continues to adopt the 'going concern' basis in preparing the accounts.

### Remuneration policy

The Trustees determine and agree the overall policy for the remuneration and pension arrangements for ZSL employees and oversee any major changes to employee benefits.

ZSL's reward principles are to ensure the same remuneration system applies to all, except where there are justifiable reasons for separate arrangements. For example, the Institute of Zoology's remuneration policy is aligned to the higher-education sector and has a separate remuneration committee linked to UCL, in line with the type of work carried out by the department.

ZSL aims to provide an overall reward package that is competitive for the sector in which it operates. In assessing levels of remuneration, it uses external professional advice and salary survey databases from public, private and charity sectors. While ZSL recognises that it should not and does not compete directly with the private sector on remuneration, it does aim to provide an overall reward package that is competitive to attract and retain high-calibre staff who are aligned with our vision, purpose and values.

A Remuneration Committee reviews and approves the remuneration, benefits and pension arrangements of the Director General and the Director Group. Each position on the Director Group is individually benchmarked.

# 2.2%

was the year-on-year increase in ZSL income in 2017-18

# £11.1m

was the income generated in 2017-18 by our subsidiary trading company, Zoo Enterprises Limited

# £65.6m

was the total income generated by ZSL in 2017-18, derived chiefly from Zoo admissions, ZSL membership and trading income

# Principal risks and uncertainties

**Every organisation must address uncertainty – and we have a robust system in place for identifying, managing and mitigating the risks we face.**

**Z**SL is a diverse organisation operating business and mission functions in a number of discrete areas, each with their own unique set of challenges. In delivering all of our objectives we accept that we must face a range of risks, varying in substance and significance. We have strict procedures in place to identify and evaluate risk, and to design and implement effective measures not only to reduce the likelihood of risks occurring, but also to limit the potential impact if those risks occur.



an organisational perspective. Specifically for health and safety, under the guidance of the Head of Safety and Security, we have a detailed system for monitoring risks and issues, as well as actions taken.

Risk is a standing item on the agenda of the monthly meeting of the senior leadership team, where each risk has a named owner and date for review. Any new risks are also added through this forum or – if something is considered particularly urgent – through their shorter weekly meetings. In this way, the risks can be considered, and suitable mitigation plans developed and implemented.

## **Our risk management process**

We manage a Society-wide risk register, tracking and evaluating the strategic, operational, finance and compliance risks that we face. These risks are reviewed and assessed annually by our senior leadership team, our Finance and General Purposes Committee, and our Council of Trustees, who have collective responsibility to identify, assess and manage risks, and ensure that risk management arrangements are robust, appropriate and comprehensive.

Outside of this annual assessment, we have risk-assessment processes embedded in management and operational processes, and a Head of Risk Management to track risks from



## **Risk assessment**

Risks are assessed according to their likelihood to occur, and their likely impact on the organisation. These values combine to provide a score that allows us to identify the major risks to our organisation and prioritise management actions accordingly.

## **Risk management statement**

Our Trustees have given consideration to the major risks to which ZSL and its subsidiary undertaking is exposed, and satisfied themselves that suitable procedures are established in order to identify and manage those risks. The following principal risks were identified during the 2017-18 accounting period. Specific actions are in place to manage each risk.

DESCRIPTION OF PRINCIPAL RISKS	SUMMARY OF MITIGATION ACTIONS
Changes in UK legislation, policy and rules resulting from Britain's decision to leave the European Union and Article 50 negotiations	<ul style="list-style-type: none"> <li>Monitoring changes in legislation and their potential impact on the Society</li> <li>Adapting our strategy to changing circumstances</li> <li>Monitoring income and expenditure, general reserves and cash-flow forecast</li> <li>Managing our capital allocations, marketing strategy and fundraising strategy</li> </ul>
Stability of external fundraising to provide investment in our mission, capital investment and funding for our operating costs	<ul style="list-style-type: none"> <li>Monitoring the external environment</li> <li>Diversifying income streams and funders</li> <li>Managing income and fundraising strategy</li> <li>Monitoring income and expenditure, general reserves and cash-flow forecast</li> <li>Managing our capital allocations</li> </ul>
Stability of commercial income to cover operating costs, provide investment in our mission and capital investment funding	<ul style="list-style-type: none"> <li>Diversifying income streams</li> <li>Monitoring income and expenditure, general reserves and cash-flow forecast</li> <li>Managing our commercial and marketing strategies and monitoring the external environment</li> </ul>
Personal data is misused by ZSL in breach of data protection legislation	<ul style="list-style-type: none"> <li>Designated Data Protection Lead leading Society-wide Working Group to implement personal data management strategy</li> <li>Progress on GDPR compliance tested by our internal auditors ahead of GDPR implementation</li> <li>Ran 'opt-in' campaign</li> <li>ZSL Privacy Policy updated</li> <li>Continual improvement of data protection compliance systems procedures</li> <li>Staff training – we rolled out a mandatory module ahead of GDPR implementation and have followed up with targeted training and support for particular teams</li> <li>Contracts updated – new model terms developed ahead of GDPR and commenced reviews and amendments of existing contracts, prioritising contracts that most deal with personal data</li> </ul>
Any safeguarding incident which leads to damage to our reputation and/or causes us to be in breach of our legal obligations (eg under a grant agreement)	<ul style="list-style-type: none"> <li>We have a safeguarding policy with a clear process for reporting any concerns</li> <li>We have nominated and trained safeguarding officers</li> <li>We have a clear process for any significant concerns to be raised quickly at the most senior levels in the charity</li> </ul> <p><i>[In the 2018-19 financial year, we will continue to train our staff and partners, both in the UK and internationally.]</i></p>



# Governance

**Our work as a charity is directed and controlled by our Council of Trustees and expert committees, outlined here.**

## CORPORATE STATUS

ZSL is a charity incorporated under Royal Charter, registered in England and Wales with the Charity Commission (No. 208728). Certain of the commercial operations of the two Zoos, principally catering and shops, are carried out through its wholly owned subsidiary company, Zoo Enterprises Limited, a company registered in England and Wales with company number 01178687 (together referred to below as 'the group').

## ORGANISATION Council

The Society is governed by the Charter, the current version of which dates from 1995, and by Byelaws and Regulations. The Byelaws set out requirements concerning membership, the Officers (President, Secretary and Treasurer), the election and proceedings of Council, and general and other meetings. The Council is the ruling body of the Society, meets five times each year, and is responsible for establishing and monitoring the policies of the Society. Council members ('the Trustees') are elected from and by the membership ('Fellows') of the Society by postal ballot and serve for periods of four years. Invitations are circulated to all Fellows to nominate Trustees, and Fellows are advised of the retiring Trustees and specialist skills that the Council considers would be helpful to the Society. The election is by postal ballot of the complete Fellowship of the Society. New Trustees are invited to an induction/training meeting prior to taking up their role, where, in accordance with Charity Commission guidelines, they are briefed on their legal obligations under charity law, the Charter and Byelaws of the Society, the committee and decision-making process, Directors' reports and the financial performance of the Society. Additional training, if required, is provided internally and externally to Trustees.

## Council members/Trustees

The following were Council members in the period 1 May 2017 to the date of this report, unless otherwise indicated.

**President:** Professor Sir John Beddington CMG FRS

**Secretary:** Professor Geoff Boxshall FRS

**Treasurer:** Paul Rutteman CBE  
Sheila Anderson MBE (Vice President)

Dr Brian Bertram

Martin Cooke\*

Ray Heaton+

Dr Andrew Kitchener

Professor Anna Meredith\*\*

Elizabeth Passey

Professor Maggie Redshaw\*

Sean Rovai

Martin Rowson

Ken Sims

Paul Wilson

Victoria Wilson

Robert Wingate+

\* to November 2017, \*\* retired March 2018

+ from November 2017

## COMMITTEES

In addition to Council, the Society operates through a number of committees and boards, whose terms of reference and membership are shown below (\* retired during 2017-18, + joined during 2017-18).

### Finance and General Purposes Committee

**Terms of reference:** To monitor the financial management of the Society and act as an audit committee, and to preview and prepare papers for Council requiring policy or capital investment decisions.

**Membership:** Paul Rutteman CBE (Chair), Professor Sir John Beddington CMG FRS, Professor Geoff Boxshall FRS, Rupert Hambro CBE, Elizabeth Passey\*, Martin Rowson, Ken Sims+, Paul Wilson, Loraine Woodhouse+~  
~ non-voting advisory members

### Animal Welfare Committee

**Terms of reference:** To advise Council and Directors on matters relating to animal welfare in the Collections, at both ZSL London Zoo and ZSL Whipsnade Zoo, and in the work of the Institute of Zoology and in the work of Conservation Programmes.

**Membership:** Dr Maggie Redshaw (Chair), Sheila Anderson, Dr Heather Bacon, Dr Matthew Brash, Martin Cooke\*, Dr Kirsten Pullen\*, Neil D'Cruze+, Troy Gibson+

### Awards Committee

**Terms of reference:** Council presents a number of awards for contributions to zoology and conservation. The committee advises Council on all matters relating to these awards and the appointment of Honorary Fellows.

**Membership:** Dr Beth Okamura (Chair), Professor Geoff Boxshall, Professor Helen Chatterjee+, Professor Adam Eyre-Walker\*, Dr David Ferrier\*, Professor Ashleigh Griffin+, Professor David Hosken+, Professor Chris Jiggins, Professor Judith Mank, Professor Ken Norris, Dr Debbie Pain, Professor Andrew Rambaut\*, Professor Emily Rayfield, Professor David Sims, Professor Jon Slate\*, Dr Rosie Trevelyan\*

### Joint University College London/ ZSL Committee

**Terms of reference:** To determine, in the light of the policies and plans of the Society and where appropriate those of the University, the academic policy and development of the IoZ, and to advise the Director of Science of the Society thereon. To coordinate and monitor the implementation of the IoZ's policies and plans, including planned staffing levels, student numbers and its financial management, and to submit an annual report thereon to the Council of the Society and the General Board of the Faculties of the University. To undertake other business as may be assigned to it by the Society or the University.

**Membership:** Professor Frances Brodsky (Chair)^, Ralph Armond\*, Professor Geoff Boxshall, Sir Cyril Chantler, Professor Helen Chatterjee^, Dominic Jermy+, Professor Ian Owens, Professor Andrew Pomiankowski^, Professor Geraint Rees^

^ a non-ZSL member (ie a nominee of UCL or an external representative). The rest are ZSL nominees.

## Zoos Advisory Committee

**Terms of reference:** To provide specialist advice on the objectives of the Zoos and on specific aspects of their management; to review the annual business and financial plans for the Zoos and to recommend them to Council; to review any material variances to the plans and, where necessary, recommend to Council remedial actions; to review and recommend to Council any capital developments.

**Membership:** Dr Simon Tonge (Chair), Martin Rowson (Vice Chair), James Breheny (corresponding member), Dr Brian Bertram, Mark Challis, Ray Heaton, Dr Andrew Kitchener, Ruth Padel, Colomba de La Panouse, Mark Ridgway, Sean Rovai, Andrew Simpson\*, Paul Wilson, Victoria Wilson

## Day-to-day management

The day-to-day management of ZSL is delegated to the Director General and the seven Directors, and monitored by Council through the Officers. All matters of policy are determined by Council and by the Officers of ZSL.

## Remuneration Committee

**Terms of reference:** To determine the remuneration and pension arrangements of Executive Directors. In the event of termination of employment of an Executive Director, to consider and (if appropriate) authorise any payment owing to that person.

**Membership:** Professor Geoff Boxshall (Chair), Ralph Armond\*, Dominic Jermy+, all members of F&GPC. (NB – the Director General does not discuss or vote on, and is not present for, any consideration of their own remuneration or pension.)

## DIRECTORS

**Director General:** Ralph Armond (to November 2017), Dominic Jermy (from November 2017)

**Human Resources Director:** Fiona Evans

**Zoological Director:** Professor David Field (to December 2017). NB – this role has now been split into two roles: a new role of

**Interim Director of Living Collections:** Nic Masters and a **General Manager** role held by a non-Director.

**Interim Conservation Programmes**

**Director:** Alasdair McDonald (to June 2017).

The job title was then changed to **Director of Conservation:** Matthew Hatchwell (from June 2017).

**Director of Science:** Professor Ken Norris

**Finance Director:** Amanda Smith

## Commercial and Communications

**Director:** Rich Storton

**Development Director:** James Wren

## THE FINANCIAL STATEMENTS AND TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). The law applicable to charities in England and Wales 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 the group, and of the incoming resources and application of resources of the Charity and the group for that period.

In preparing these financial statements, the Trustees are required: to select suitable accounting policies and then apply them consistently; to observe the methods and principles in the Charities Statement of Recommended Practice (SORP); make judgements and estimates that are reasonable and prudent; state whether applicable UK accounting standards have

been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the group, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the Charity and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for the maintenance and integrity of the Charity and the group, and for financial information included on the Charity's website.

## Auditor

A resolution to reappoint RSM UK Audit LLP, chartered accountants, as auditor will be put to the members at the Annual General Meeting.

## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Principal address:</b>	Regent's Park London NW1 4RY	<b>Principal bankers:</b>	<b>Barclays Bank PLC</b> 1 Churchill Place London EC14 5HP
<b>Also at:</b>	ZSL Whipsnade Zoo Bedfordshire LU6 2LF	<b>Statutory auditor:</b>	<b>RSM UK Audit LLP</b> 25 Farringdon Street London EC4A 4AB
<b>Registered office:</b>	Regent's Park London NW1 4RY	<b>Investment advisors:</b>	<b>Newton Investment</b> 160 Queen Victoria Street London EC4V 4LA
<b>Lawyers:</b>	<b>Hempsons Solicitors</b> 40 Villiers Street London WC2N 6NJ	<b>White &amp; Case LLP</b> 5 Old Broad Street London EC2N 1DW	

Approved by Council on Thursday 13 September 2018

Trustees' Report signed on behalf of Council

.....  
**Professor Sir John Beddington** CMG FRS, President

# Independent Auditor's Report to the Trustees of The Zoological Society of London

## Opinion

We have audited the financial statements of The Zoological Society of London (the 'Charity') and its subsidiaries (the 'Group') for the year ended 30 April 2018, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

## In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Charity's affairs as at 30 April 2018 and of their 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 Act 2011.

## Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or parent Charity's ability to continue to adopt the going concern basis of accounting for a year of at least 12 months from the date when the financial statements are authorised for issue.

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 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
- sufficient accounting records have not been kept by the parent Charity; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; 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 set out on page 47, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group and parent 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 Group or parent Charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at [frc.org.uk/auditorsresponsibilities](http://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 the Charities Act 2011. 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.

## RSM UK Audit LLP

Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

Signed off 14 September 2018. RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

*RSM UK Audit LLP*

## Consolidated Statement of Financial Activities

For the year ended 30 April 2018

				2017/18	2016/17	
		Unrestricted	Restricted	Endowment		
	Notes	£000	£000	£000		
				12 months	16 months	
				Total	Total	
				£000	£000	
<b>Income and endowments from</b>						
Donations and legacies	2	1,715	2,730	–	4,445	6,330
Charitable activities:	3					
Zoo animal collection and conservation		34,077	126	–	34,203	48,897
Science and research		2,589	3,048	–	5,637	6,990
Conservation field programmes		101	10,053	–	10,154	10,667
Trading activities	4	11,051	–	–	11,051	12,519
Investment income	5	45	62	–	107	206
<b>Total income</b>		49,578	16,019	–	65,597	85,609
<b>Expenditure* on</b>						
Raising funds:						
Costs of generating voluntary income		1,094	438	–	1,532	1,675
Fundraising trading:						
Cost of goods sold and other costs	4	9,908	–	–	9,908	9,670
Charitable activities:						
Zoo animal collection and conservation		33,818	79	–	33,897	49,300
VAT reclaim on animal-related costs		–	–	–	–	(1,014)
Science and research		2,237	3,235	–	5,472	7,778
Conservation field programmes		3,261	10,140	–	13,401	18,024
<b>Total expenditure</b>	6	50,318	13,892	–	64,210	85,433
Net gains on investments	11	148	105	8	261	830
<b>Net income/(expenditure)</b>		(592)	2,232	8	1,648	1,006
Other recognised gains/(losses):						
Remeasurement of defined benefit obligation	17	4,591	–	–	4,591	(129)
Transfers between funds	15	(623)	623	–	–	–
<b>Net movement in funds</b>		3,376	2,855	8	6,239	877
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	58,064	6,716	933	65,713	64,836
<b>Total funds carried forward</b>		61,440	9,571	941	71,952	65,713

\* Includes exceptional pension curtailment gain of £2,897,000 (2017: nil). See note 17.

## Consolidated and Charity Balance Sheets

As at 30 April 2018

	Notes	Group		Charity	
		2018 £000	2017 £000	2018 £000	2017 £000
<b>Fixed assets</b>					
Intangible assets	9	622	824	622	824
Tangible assets	10	48,400	49,951	48,400	49,951
Investments	11	5,696	5,435	7,469	7,208
		<u>54,718</u>	<u>56,210</u>	<u>56,491</u>	<u>57,983</u>
<b>Current assets</b>					
Stocks	12	447	570	–	–
Debtors	13	6,599	6,098	11,958	9,588
Cash at bank and in hand		17,461	15,724	11,470	10,600
		<u>24,507</u>	<u>22,392</u>	<u>23,428</u>	<u>20,188</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14a	(10,071)	(8,888)	(10,776)	(8,467)
		<u>14,435</u>	<u>13,504</u>	<u>12,652</u>	<u>11,721</u>
Creditors: amounts falling due in more than one year	14b	(382)	(558)	(382)	(558)
Net assets excluding pension scheme assets/(liabilities)		68,771	69,156	68,761	69,146
Defined benefit pension scheme assets/(liabilities)	17	3,181	(3,443)	3,181	(3,443)
<b>Net assets</b>		<b><u>71,952</u></b>	<b><u>65,713</u></b>	<b><u>71,942</u></b>	<b><u>65,703</u></b>
<b>Funds</b>					
Unrestricted funds excluding pension liability:					
– General		3,781	6,641	3,771	6,631
– Designated		54,478	54,866	58,249	54,866
		<u>58,259</u>	<u>61,507</u>	<u>58,249</u>	<u>61,497</u>
Unrestricted – Pension reserve		3,181	(3,443)	3,181	(3,443)
Total unrestricted funds		<u>61,440</u>	<u>58,064</u>	<u>61,430</u>	<u>58,054</u>
Restricted funds					
– Endowments		941	933	941	933
– Other		9,571	6,716	9,571	6,716
Total restricted funds		<u>10,512</u>	<u>7,649</u>	<u>10,512</u>	<u>7,649</u>
<b>Total funds</b>	15	<b><u>71,952</u></b>	<b><u>65,713</u></b>	<b><u>71,942</u></b>	<b><u>65,703</u></b>

Approved by Council on 13 September 2018 and signed on their behalf by:



Professor Sir John Beddington, CMG FRS, President



Paul Rutteman, FCA, Treasurer

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## Consolidated Statement of Cash Flows

For the year ended 30 April 2018

		<b>Group</b>	
		<b>2017/18</b>	<b>2016/17</b>
		<b>12 months</b>	<b>16 months</b>
	<b>Notes</b>	<b>total</b>	<b>total</b>
<b>Cash flows from operating activities</b>	20	4,282	5,840
<b>Cash flows from investment activities</b>			
Interest received on bank and cash balances		12	91
Investment income		95	115
Purchase of intangible fixed assets		(84)	(903)
Purchase of tangible fixed assets		(2,568)	(5,330)
<b>Net cash used in investing activities</b>		<b>(2,545)</b>	<b>(6,027)</b>
Change in cash and cash equivalents in the reporting year		1,737	(187)
Cash and cash equivalents at the beginning of the year		15,724	15,911
<b>Cash and cash equivalents at the end of the year</b>	20	<b>17,461</b>	<b>15,724</b>

## Notes to the Financial Statements For the period ended 30 April 2018

### 1. Accounting policies

The Zoological Society of London is a registered charity in England and Wales (charity number 208728). The registered address is Regent's Park, London NW1 4RY.

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities SORP FRS 102 and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Society constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the charity and group's ability to operate as a going concern. The Consolidated Financial Statements are presented in sterling which is the functional currency of the Society. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated. The Charity has taken advantage of the paragraph 1.11 Section 1, Cash flows, of FRS 102 and as such has not shown an individual charity cash flow statement within these financial statements on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included within these financial statements includes the Charity's own cash flows.

#### **Change of year end**

In the prior year, the Society decided, following approval by the Council, to change the year end from 31 December to 30 April to better align the budgeting and business planning processes during the quieter months from October to February. This change in year end extended the prior reporting year to 16 months, up from the normal 12 months. This has now reverted back to 12 months for the 2017/18 financial year and future reporting years.

#### **Consolidation**

The financial statements consolidate on a line-by-line basis the results and the assets and liabilities of the Society and its wholly owned subsidiaries – Zoo Operations Limited, Zoo Enterprises Limited and Whipsnade Wild Animal Park Limited. The Consolidated Statement of Financial Activities represents the results of both the charitable and non-charitable activities of the group. A separate Statement of Financial Activities for the Charity itself is not presented; however, a summary statement of Financial Activities for the charity itself is presented in note 25. The results for the activities carried out by the Society's subsidiaries are set out in note 4 in respect of catering and merchandising, and in note 11 in respect of other activities.

#### **Funds**

The Society maintains a number of internal funds, which include restricted and unrestricted funds:

##### ***Unrestricted – general fund***

The general fund is the free fund of the Society.

##### ***Unrestricted – designated funds***

These funds are derived from donations, grants, bequests and other resources set aside to be used in accordance with the resolutions passed by the Council of the Society. Both the capital and income may be spent. Until expended, the funds are held in cash or tangible fixed assets.

##### ***Restricted – endowment funds***

These funds are derived from bequests to the Society, are held permanently by the Trustees, and comprise investments, the income from which may be used to support Society activities.

##### ***Restricted – other funds***

These funds are subject to specific restriction imposed by the donor, by the purpose of an appeal or are received for a specific purpose.

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## **Fund transfers**

Restricted funds are transferred to unrestricted funds in accordance with restrictions upon which the Society may use such restricted funds and include occasions when restricted income has been used, in accordance with donors' instructions, in the acquisition of tangible fixed assets.

## **Income**

In accordance with the SORP, all income, including Gift Aid on admissions, becoming receivable by the Society during the year is recognised in the Consolidated Statement of Financial Activities, regardless of its source or of the purpose to which it is to be put or has been put. The exception to this relates to membership income and similar income, which is deferred to the extent that it relates to a service to be provided in future years, and grants and donations that are deferred where milestones and conditions for recognition are expected to be met in future years.

Where income is received for a specific purpose, the income is included in restricted funds.

Income from conservation and scientific research grants is recognised in accordance with the recognition criteria of SORP when entitlement is assured, there is probability of receipt, and when the amount can be reliably measured. Government grants are recognised when received.

Legacies are recognised when the Society is entitled to the asset and has been advised that it is probable that payment will be made or assets transferred and the amount involved can be reasonably quantified.

## **Expenditure**

Expenditure is recognised when a liability is incurred. Expenditure is allocated to categories in accordance with the main activity of the staff concerned or the substance of the costs incurred as set out in note 6. Resources expended include the costs of raising funds and charitable expenditure, including support, management and administration costs.

Governance costs are a component of support costs and include those expenses incurred in the governance of the Society's assets and are primarily associated with constitutional and statutory requirements and include an appropriate proportion of senior management time. Total Support Costs have been allocated to each of the charity's core chargeable activities in the proportion that the activity has to the total of all other costs, as set out in note 6.

Support costs are those costs incurred in support of expenditure on the objectives of the Society, as set out in note 6.

## **VAT**

Admissions income is treated as VAT exempt and, accordingly, as a partially exempt body, ZSL may not recover all VAT paid. The exception is VAT incurred in connection with the catering and merchandising operations that operate through subsidiary companies, which is fully recoverable. Irrecoverable VAT is included within the category of expenditure to which it related. Catering and merchandising income is stated excluding VAT.

## **Tangible assets and depreciation**

Fixed assets acquired by purchase or gift are initially recognised at cost or valuation and are subsequently depreciated (with the exception of freehold land and assets under construction, which are not depreciated) on a straight-line basis at rates appropriate to write off the cost over their expected useful lives. Freehold buildings are depreciated over five to 50 years; leasehold buildings from three years to the shorter of the lease term, and 50 years; plant and equipment five to 15 years; and motor vehicles one to five years.

Assets under construction consist of expenditure incurred in respect of tangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets with a cost below £5,000 are charged to expenditure and are not capitalised.

## **Intangible assets and amortisation**

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. Intangible assets comprise software and the website and are amortised between three and five years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets with an original cost of under £5,000 are charged to expenditure and are not capitalised.

Assets under construction consist of expenditure incurred in respect of intangible assets in the course of their construction and installation and that are directly attributable to bringing the asset into operation; these assets are not depreciated. Transfers are made to the relevant fixed assets category as and when the assets are available for use.

### **Foreign currencies**

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Any exchange differences are recognised through the Consolidated Statement of Financial Activities. Foreign exchange monetary assets and liabilities are recognised at the rate of exchange ruling at the balance sheet date.

### **Investments**

Listed investments are included in the balance sheet at market value based on their published bid prices with realised and unrealised gains or losses recognised in the Consolidated Statement of Financial Activities, in the year in which they arise. Investment income is accounted for an accruals basis.

Other investments comprise investments in subsidiaries and are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

### **Stocks**

Stocks are stated at the lower of direct cost (determined on a first in, first out basis) and net realisable value.

### **Animals**

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

### **Heritage assets**

ZSL holds a collection of books and artwork located at the ZSL London Zoo site, which is held to support ZSL's charitable objectives, being the advancement of zoology. The Trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of items held in the collection of books and artwork. This is because of the unique features of the assets held, the number of assets held and the lack of comparable market values.

Furthermore, the Trustees believe the cost of obtaining a valuation of these assets would be onerous compared with the benefit that would be derived by users of the financial statements in assessing their stewardship of the assets. The Society does not, therefore, recognise these assets on its balance sheet. In accordance with the requirement of Section 34 of FRS 102 and Section 18 of SORP FRS 102, note 23 to the financial statements provides additional disclosures on the nature and scale of the Charity's heritage assets as well as collections, management policy and the extent to which access is permitted to the collection.

The collection of books and artwork is held to advance zoology by facilitating the improvement and dissemination of zoological knowledge.

### **Donated facilities**

The Society leases the Regent's Park site from the Department for Culture, Media and Sport. The lease was renewed in 1999 for a term of 56 years at no annual rent. The Trustees do not believe it is practicable to reasonably quantify and measure the benefit conferred to the Society under this rent-free arrangement due to the Zoo's unique location and, as such, have not included the value of this donated facility in the Consolidated Statement of Financial Activities.

### **Advertising costs**

Costs incurred in relation to advertising are charged to the Consolidated Statement of Financial Activities at the time the advertisements appear in the media or are otherwise made public. Amounts invoiced but not yet taken to the Consolidated Statement of Financial Activities are included in prepayments.

### **Pension costs**

The Society participates in various defined benefit and defined contribution pension schemes:

#### ***Defined benefit schemes***

The cost of providing benefits under the ZSL 1988 defined benefit plan is determined using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the year in which they arise.

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The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the year as a result of contribution and benefit payments. The net interest is recognised in the Consolidated Statement of Financial Activities as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in the Consolidated Statement of Financial Activities in the year in which they occur and are not reclassified to the Consolidated Statement of Financial Activities in subsequent years.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

The Society participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate Trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual employers and a scheme-wide contribution rate is set. The Society is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the Society therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Financial Activities represents the contributions payable to the scheme. Since the Society has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Society recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

#### **Defined contribution scheme**

Contributions to defined contribution schemes are recognised in the Consolidated Statement of Financial Activities in the year in which they become payable. Any unpaid (or prepaid) contributions are separately disclosed within note 17.

#### **Leasing commitments**

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term.

#### **Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities.

#### **Debtors and creditors**

Trade and group debtors which are receivable within one year are initially measured at the transaction price. Trade and group debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Other creditors and trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

#### **Critical accounting estimates and judgements**

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those used by the scheme actuary in calculating the Society's defined benefit pension scheme liability (see note 17 for details).

## 2. Donations and legacies

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
Donations	4,159	6,152
Legacies	286	178
	4,445	6,330

## 3. Charitable activities income

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
<b>Zoo animal collections and conservation</b>		
Admissions	24,986	37,186
Membership	7,807	10,590
Other	1,410	1,121
	34,203	48,897
<b>Science and research</b>		
Grants	5,495	6,603
Studentships	141	352
Other	1	35
	5,637	6,990
<b>Conservation field programmes</b>		
Grants	9,943	10,638
Other	211	29
	10,154	10,667
	49,994	66,554

Income from Zoo animal collections and conservation includes those derived from providing: access to ZSL London Zoo and ZSL Whipsnade Zoo to view the collections and to learn about animals and conservation; animal adoption services and animal-keeping experiences; plus animal and conservation educational services inside and outside (through outreach programmes) the Zoos.

### Income from Science and research and Conservation field programmes includes the following Government grants:

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
<b>Government grants</b>		
Higher Education Funding Council for England (HEFCE)	2,125	2,933
Department for Environment, Food & Rural Affairs (Defra) [Darwin Initiative]	372	1,006
Department for International Development (DFID)	3,396	2,930
United Nations Development Programme (UNDP)	518	520
European Commission	782	–
EU Funded	188	396
	7,381	7,785

Of the total for Government grants above, £5,257,000 (2016-17: £4,852,000) were contractual payments for the purposes of specific scientific research. The remaining amount was from grants for general purposes. There were no unfulfilled commitments relating to these grants as at 30 April 2018 (2017: none).

No other form of assistance has been received from the Government (2017: none).

#### 4. Trading activities

The Society wholly owns Zoo Enterprises Limited (ZEL), which undertakes the merchandising, catering activities, overnight experiences in our lodges at London Zoo and Whipsnade Zoo, and other commercial activities.

Taxable net profits are distributed to the Society annually.

The turnover and net contribution to the Society from catering and merchandising in ZEL were as follows:

	<b>2017/18</b> <b>12 months</b> <b>£000</b>	<b>2016/17</b> <b>16 months</b> <b>£000</b>
Turnover:		
Catering	5,458	4,578
Merchandising	5,593	7,941
	<u>11,051</u>	<u>12,519</u>
Cost of activities	<u>(8,525)</u>	<u>(7,945)</u>
Catering and merchandising (net)	2,526	4,574
Support and overhead costs	(1,383)	(1,725)
Interest receivable	–	14
	<u>1,143</u>	<u>2,863</u>
Net profit for the period before distribution	<u>1,143</u>	<u>2,863</u>

Catering, merchandising and other commercial activity turnover of £11.1m – 12 months (2016-17: £12.5m – 16 months) is included in the Consolidated Statement of Financial Activities within 'trading activities'. Cost of activities, support and overhead costs of £9.9m – 12 months (2016-17: £9.7m – 16 months) are included within fundraising trading with £nil (2016-17: £14,000 – 16 months) interest receivable.

#### 5. Interest and investment income

	<b>2017/18</b> <b>16 months</b> <b>£000</b>	<b>2016/17</b> <b>12 months</b> <b>£000</b>
Interest on bank and cash balance	12	91
Investment income	95	115
	<u>107</u>	<u>206</u>

#### 6. Group analysis of total expenditure

	<b>Direct</b> <b>staff costs</b> <b>£000</b>	<b>Direct</b> <b>costs</b> <b>£000</b>	<b>Other</b> <b>support costs</b> <b>£000</b>	<b>2017/18</b> <b>12 months</b> <b>£000</b>	<b>2016/17</b> <b>16 months</b> <b>£000</b>
Charitable activities:					
Zoo animal collection and conservation	12,763	17,446	3,688	33,897	49,300
Science and research	3,227	1,650	595	5,472	7,778
Conservation field programmes	5,337	6,624	1,440	13,401	18,024
VAT reclaim on animal-related costs	–	(1,014)	–	(1,014)	(1,588)
	<u>21,327</u>	<u>25,720</u>	<u>5,723</u>	<u>52,770</u>	<u>74,088</u>
Expenditure on raising funds:					
Cost of generating voluntary income	621	748	163	1,532	1,675
Subsidiary costs of goods sold and other costs	2,060	6,465	1,383	9,908	9,670
	<u>2,681</u>	<u>7,213</u>	<u>1,546</u>	<u>11,440</u>	<u>11,345</u>
Total Group expenditure in 2017/18	<u>24,008</u>	<u>32,933</u>	<u>7,269</u>	<u>64,210</u>	<u>–</u>
Total Group expenditure in 2016/17	<u>31,731</u>	<u>40,429</u>	<u>3,273</u>	<u>–</u>	<u>85,433</u>

**Analysis of support costs**

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
Staff and related costs	5,585	7,042
Computer services	467	784
Depreciation	371	558
Insurance	436	616
Bank charges	257	363
Other costs	2,375	2,731
Pension costs on ZS 1988 scheme	766	1,014
Gain on settlement and curtailment of ZS 1988 scheme	(2,897)	–
Change in liability on USS Scheme	(212)	–
Governance costs	121	165
	7,269	13,273

These costs have been allocated to the activities on the basis of total expenditure by activities.

**7. Net income/(expenditure)**

Net income before other recognised gains/(losses) is stated after charging/(crediting) the following items:

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
Auditor's remuneration:		
Audit services – charged by RSM UK Audit LLP	70	68
Audit services for grants – charged by RSM UK Audit LLP	–	6
Audit services for pension scheme – charged by RSM UK Audit LLP	9	–
Non-audit services – charged by RSM UK Tax and Accounting Limited	28	68
Amortisation	338	79
Depreciation	3,757	5,294
Operating lease rentals in respect of plant, equipment and motor vehicles	664	666
Foreign exchange gains on overseas balances and transactions	(118)	(176)
Trustees' expenses	5	5
	5	5

Trustees' expenses consist mainly of the reimbursement of travel expenses. In the current year these Trustees' expenses relate to eight (2016-17: nine) Trustees who served as Council members during the year. None of the Trustees, nor any persons connected to the Trustees, received remuneration for their services. The Society pays the insurance premiums on behalf of the Trustees in respect of professional indemnity insurance. The premium paid is incorporated with the general professional liability premiums and so is not separately disclosable.

There are no other reportable transactions with Trustees. The auditor's remuneration for non-audit services is in respect of fees in connection with general tax advice and agreed upon procedures on specific grants.

**8. Staff costs and remuneration of key management personnel**

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
Salaries and wages (including those of key management personnel)	25,354	31,346
Social security costs	2,198	2,898
Pension costs – Defined benefit (excluding finance costs)	1,417	2,284
Pension costs – Defined contribution	1,148	1,711
Gain on settlement and curtailment of ZS 1988 scheme	(2,897)	–
	27,220	38,239

In addition, the cost of temporary staff in the year was £50,000 (2016: £234,000).

The average full-time equivalent number of employees during the year was as follows:

	Full-time equivalent		Average monthly headcount	
	2017/18	2016/17	2017/18	2016/17
	No.	No.	No.	No.
Zoo animal collection and conservation	382	370	462	428
Science and research	59	61	61	66
Conservation field programmes	284	276	287	281
Cost of generating funds – voluntary income	13	16	14	17
Cost of generating funds – voluntary trading	63	91	98	150
Support staff	90	92	94	97
	891	906	1,016	1,039

The number of employees with emoluments in excess of £60,000pa (high-paid employees) exclusive of pension contributions was:

Band	2017/18 No.	2016/17 No.
£60,001-£70,000	13	14
£70,001-£80,000	7	6
£80,001-£90,000	2	2
£90,001-£100,000	5	3
£100,001-£110,000	1	1
£110,001-£120,000	1	2
£160,001-£170,000	–	1

The key management personnel of ZSL comprise the Trustees, who are not remunerated, as well as the Directorate, which includes the Director General, Finance Director, Human Resources Director, Conservation Director, Institute of Zoology Director, Director of Zoology, Commercial and Communications Director, and Development Director. The total employee benefits, including employer pension contributions of the key management personnel of ZSL, were £967,000 – 12 months (2016-17: £1.29m – 16 months), and employer NI contributions for these personnel were £108,000 – 12 months (2016-17: £141,800 – 16 months).

## 9. Intangible assets

### Group and Charity

	Assets under development £000	Software assets £000	Total £000
<b>Cost:</b>			
At 1 May 2017	–	903	903
Additions during the year	–	84	84
Transfer from tangible fixed assets	52	–	52
Transfer of assets under construction	(52)	52	–
At 30 April 2018	–	1,039	1,039
<b>Amortisation:</b>			
At 1 May 2017	–	79	79
Charge for the year	–	338	338
At 30 April 2018	–	417	417
<b>Net book value:</b>			
At 30 April 2018	–	622	622
At 30 April 2017	–	824	824

## 10. Tangible assets

	Freehold land and buildings £000	Buildings on leased land £000	Assets under construction £000	Plant and equipment £000	Motor vehicles £000	Total £000
<b>Group and Charity</b>						
<b>Cost:</b>						
At 1 May 2017	27,767	64,431	148	7,786	992	<b>101,124</b>
Additions during the year	689	995	551	333	–	<b>2,568</b>
Transfer of assets under construction	163	484	(647)	–	–	–
Transfers to intangibles	–	–	(52)	–	–	<b>(52)</b>
Disposals	–	(567)	–	–	(331)	<b>(898)</b>
At 30 April 2018	28,619	65,343	–	8,119	661	<b>102,742</b>
<b>Depreciation:</b>						
At 1 May 2017	14,897	28,324	–	7,048	904	<b>51,173</b>
Charge for the year	1,117	2,516	–	66	58	<b>3,757</b>
Disposals	–	(257)	–	–	(331)	<b>(588)</b>
At 30 April 2018	16,014	30,583	–	7,114	631	<b>54,342</b>
<b>Net book value:</b>						
At 30 April 2018	<b>12,605</b>	<b>34,760</b>	<b>–</b>	<b>1,005</b>	<b>30</b>	<b>48,400</b>
At 30 April 2017	12,870	36,107	148	738	88	49,951

All tangible fixed assets are held by ZSL and substantially all are used for the charitable purposes of the Society.

The land at ZSL Whipsnade Zoo was purchased by the Society many years ago at negligible cost. In the absence of a formal valuation, it is not considered practicable to quantify the market value of the land at Whipsnade.

The Trustees are not aware of any other material difference between the carrying value and the market value of land and buildings.

Disposals of fixed assets in the year include assets with a net book value of £310k which were destroyed in a fire in the year. These assets were fully insured but, due to the current stage of evaluation with the insurers in respect of the forthcoming insurance claim, it is not presently possible to quantify the amount of proceeds that will be realised from the insurance claim. Therefore no income or asset has been recognised in the financial statements except the extent of the carrying value of the assets destroyed in the fire.

## 11. Investments

	Valued at 1 May 2017 £000	Acquisition £000	Unrealised net gains/(losses) £000	Valued at 30 April 2018 £000
<b>Group and Charity</b>				
Listed investments at market value:				
Fixed interest (UK)	2	–	–	2
Other (UK)	5,433	–	261	5,694
<b>Total Group investments</b>	<b>5,435</b>	<b>–</b>	<b>261</b>	<b>5,696</b>
<b>Charity</b>				
Unlisted investments at cost:				
Investment in Zoo Enterprises Limited	112	–	–	112
Investment in Zoo Operations Limited	1,661	–	–	1,661
<b>Total Charity investments</b>	<b>7,208</b>	<b>–</b>	<b>261</b>	<b>7,469</b>
Listed investments historical cost	3,853	–	–	3,853

The unlisted investment in the wholly owned subsidiary, Zoo Operations Limited (ZOL) (company number 2226414), is carried in the Charity balance sheet at its net asset value and has remained as the investment holding company for its wholly owned subsidiary, Whipsnade Wild Animal Park Limited (WWAP) (company number 990860), and is incorporated in the UK. Both of these companies ceased trading on 31 December 2015.

The shares in ZSL's wholly owned subsidiary, Zoo Enterprises Limited (ZEL) (company number 1178687) undertakes the merchandising, catering and commercial operations at ZSL London Zoo and ZSL Whipsnade Zoo and Gift Aids its profits to ZSL annually. The results of Zoo Enterprises Limited are set out in note 4, limited for the period to 30 April 2017. The results of Whipsnade Wild Animal Park Limited are also laid out in note 4.

The value of investments at 30 April 2018 where ZSL owns more than 5% of the holding included the following significant investments:

	£000
Newton SRI Fund for Charities	4,849
Zoo Enterprises Limited	112
Zoo Operations Limited	1,661
	<u>1,661</u>

The financial position of the individual subsidiaries was as follows:

	Assets 2018 £000	Liabilities 2018 £000	Funds 2018 £000	Assets 2017 £000	Liabilities 2017 £000	Funds 2017 £000
Zoo Enterprises Limited	6,864	(6,752)	112	5,820	(5,708)	112
Zoo Operations Limited	1,661	–	1,661	1,661	–	1,661
Whipsnade Wild Animal Park Limited	357	–	357	357	–	357

## 12. Stock

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Finished goods	447	570	–	–
	<u>447</u>	<u>570</u>	<u>–</u>	<u>–</u>

For the year to 30 April 2018, the amount of stocks recognised as an expense was £2.2m (2016-17: £3.7 m – 16 months)

## 13. Debtors

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	2,898	2,113	2,500	1,806
Amounts owed by group companies	–	–	5,785	3,857
Other debtors	1,181	477	1,158	480
Prepayments and accrued income	2,520	3,508	2,515	3,445
	<u>6,599</u>	<u>6,098</u>	<u>11,958</u>	<u>9,588</u>

## 14a. Creditors due in less than one year

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade creditors	2,036	1,257	1,856	1,233
Amounts owed by group companies	–	–	1,314	197
Taxation and social security	956	786	956	785
Accruals and deferred income	6,960	6,777	6,530	6,184
Other creditors	120	68	120	68
	<u>10,072</u>	<u>8,888</u>	<u>10,776</u>	<u>8,467</u>

The movement in deferred income included within creditors amounts falling due within one year is analysed below:

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Deferred income at 1 May	4,533	3,829	4,232	3,654
Amounts released from prior year	(4,533)	(3,829)	(4,232)	(3,654)
Incoming resources deferred	4,566	4,533	4,195	4,232
Deferred income at 30 April	<u>4,566</u>	<u>4,533</u>	<u>4,195</u>	<u>4,232</u>

Deferred income comprises membership and similar income, which relates to services that will be provided in future years, and grants and donations where milestones and conditions for recognition are expected to be met in future years.

## 14b. Creditors due in more than one year

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
USS pension liability (note 17)	382	558	382	558
	<u>382</u>	<u>558</u>	<u>382</u>	<u>558</u>

## 15. Funds

### Movement of funds for the year – Group

	At 1 May 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	At 30 April 2018 £000
<b>Unrestricted funds:</b>						
General fund before pension (liability)/asset	6,641	49,578	(51,986)	(600)	148	3,781
Pension (liability)/asset	(3,443)	–	2,033	–	4,591	3,181
<b>General fund after pension (liability)/asset</b>	<b>3,198</b>	<b>49,578</b>	<b>(49,953)</b>	<b>(600)</b>	<b>4,739</b>	<b>6,962</b>
<b>Designated funds</b>						
Students' awards	3	–	(1)	(2)	–	–
Lion conservation	370	–	–	–	–	<b>370</b>
Conservation, science and education mission	253	–	(100)	65	–	<b>218</b>
Science projects	751	–	(170)	1,667	–	<b>2,248</b>
Butterfly and crocodile conservation	65	–	–	–	–	<b>65</b>
Elephant conservation	180	–	–	–	–	<b>180</b>
Tangible and intangible fixed asset fund	50,775	–	–	(1,753)	–	<b>49,022</b>
Tangible fixed asset commitments	969	–	–	–	–	<b>969</b>
Change reserve	1,500	–	(94)	–	–	<b>1,406</b>
	<b>54,866</b>	<b>–</b>	<b>(365)</b>	<b>(23)</b>	<b>–</b>	<b>54,478</b>
<b>Restricted funds:</b>						
<b>Endowment funds</b>						
De Arroyave	880	–	–	–	20	<b>900</b>
Fantham Bequest	51	–	–	–	(12)	<b>39</b>
Davis	2	–	–	–	–	<b>2</b>
	<b>933</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8</b>	<b>941</b>
<b>Other restricted funds</b>						
Scientific	2,372	–	–	43	105	<b>2,520</b>
Library support	79	–	–	(79)	–	–
Curatorial projects	–	126	(78)	–	–	<b>48</b>
Fundraising development	505	604	(437)	(211)	–	<b>461</b>
Conservation and science	3,760	15,289	(13,377)	870	–	<b>6,542</b>
	<b>6,716</b>	<b>16,019</b>	<b>(13,892)</b>	<b>623</b>	<b>105</b>	<b>9,571</b>
<b>Total funds</b>	<b>65,713</b>	<b>65,597</b>	<b>(64,210)</b>	<b>–</b>	<b>4,852</b>	<b>71,952</b>

### Movement of funds for the year – Charity

	At 1 May 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	At 30 April 2018 £000
<b>Unrestricted funds:</b>						
General fund before pension (liability)/asset	6,631	39,670	(42,078)	(600)	148	3,771
Pension (liability)/asset	(3,443)	–	2,033	–	4,591	3,181
<b>General fund after pension (liability)/asset</b>	<b>3,188</b>	<b>39,670</b>	<b>(40,045)</b>	<b>(600)</b>	<b>4,739</b>	<b>6,952</b>

**Movement of funds for the year – Charity (continued)**

	At 1 May 2017 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	At 30 April 2018 £000
<b>Designated funds</b>						
Students' awards	3	–	(1)	(2)	–	–
Lion conservation	370	–	–	–	–	370
Conservation, science and education mission	253	–	(100)	65	–	218
Science projects	751	–	(170)	1,667	–	2,248
Butterfly and crocodile conservation	65	–	–	–	–	65
Elephant conservation	180	–	–	–	–	180
Tangible and intangible fixed asset fund	50,775	–	–	(1,753)	–	49,022
Tangible fixed asset commitments	969	–	–	–	–	969
Change reserve	1,500	–	(94)	–	–	1,406
	54,866	–	(365)	(23)	–	54,478
<b>Restricted funds:</b>						
<b>Endowment funds</b>						
De Arroyave	880	–	–	–	20	900
Fantham Bequest	51	–	–	–	(12)	39
Davis	2	–	–	–	–	2
	933	–	–	–	8	941
<b>Other restricted funds</b>						
Scientific	2,372	–	–	43	105	2,520
Library support	79	–	–	(79)	–	–
Curatorial projects	–	126	(78)	–	–	48
Fundraising development	505	604	(437)	(211)	–	461
Conservation and science	3,760	15,289	(13,377)	870	–	6,542
	6,716	16,019	(13,892)	623	105	9,571
<b>Total funds</b>	<b>65,703</b>	<b>55,689</b>	<b>(54,302)</b>	<b>–</b>	<b>4,852</b>	<b>71,942</b>

**Unrestricted – general fund:** The general fund is the free fund of the Society.

**Unrestricted – designated funds:** These funds are derived from donations, grants, bequests and other resources set aside to be used in accordance with the resolutions passed by the Council of the Society. Both the capital and income may be spent. Until expended, the funds are held in cash or tangible fixed assets. Designated funds are as follows:

Students' awards fund – this fund represents resources set aside to meet the cost of an annual prize for best talk, awarded annually at the IoZ student conference, and to fund awards to IoZ registered students for travel and subsistence in connection with their research projects. This fund has been fully utilised in the year.

Lion conservation fund – this represents resources set aside to meet lion conservation project expenditure.

Conservation, science and education mission fund – this represents resources set aside to meet conservation, science and education project expenditure.

Science projects – this represents resources set aside to meet science and education project expenditure.

Butterfly and crocodile conservation fund – this represents resources set aside to meet butterfly and crocodile conservation project expenditure.

Elephant conservation fund – this represents resources set aside to meet elephant conservation project expenditure.

Tangible and intangible fixed assets fund – this represents those resources that have been used to acquire tangible and intangible fixed assets. The value of this fund at the year end represents the net book value of tangible and intangible fixed assets.

Tangible fixed asset commitment fund – this represents the resources required for assets under construction to be brought to completion in the coming years.

Change reserve – this represents those resources which have been prioritised to carry out a formal organisational review and deliver key operational changes.

**Restricted – endowment funds:** These funds are derived from bequests to the Society, are held permanently by the Trustees, and comprise investments, the income from which may be used to support Society activities. These funds are:

De Arroyave fund and Davis fund – these funds are held permanently by the Trustees, and comprise investments, the income from which, being unrestricted, may be used to support Society activities.

Fantham Bequest – this fund is held permanently by the Trustees, and comprises investments, the income from which is to be used to endow a Memorial Research Fellowship for research in parasitology or aquatic animal ecology.

**Restricted – other funds:** These funds are as follows:

Scientific fund – this fund was derived from grants and donations, and the Society, by trust deed dated 30 May 1991, created a trust over the fund and converted it into a restricted fund that can be used for the ‘advancement of zoology and animal physiology’.

Library support fund – the fund represents the resources given for the activities of the ZSL Library, which had been fully utilised in the year.

HEFCE fund – this fund represents income received from HEFCE to support the core IoZ science and research activities.

Curatorial projects – this represents restricted donations received to support animal curatorial and conservation project expenditure.

Fundraising development – this represents restricted donations acquired as a result of fundraising activities.

Conservation and Science – this represents grants and donations received to cover conservation, science and project expenditure.

Transfers to restricted funds totalling £623,000 have been made to reflect £870,000 transferred to restricted Conservation and Science projects that were previously recognised as unrestricted, offset by transfers of £290,000 from restricted funds, where expenditure had previously been included within unrestricted general funds.

Net funds transfers of £230,000 have been made from designated funds to general funds. These transfers include £1,753,000 from the tangible fixed assets fund, and £1,667,000 to the Science projects fund, representing the surplus generated by science activities in the year, and designated for future science use, as agreed by the Trustees.

#### Movement of funds for the year – Group (prior period)

	At 1 January					At 30 April
	2016	Income	Expenditure	Transfers	Gains/(losses)	2017
	£000	£000	£000	£000	£000	£000
<b>Unrestricted funds:</b>						
General fund before pension liability	5,506	68,691	(66,817)	(1,112)	373	6,641
Pension liability	(2,300)	–	(1,014)	–	(129)	(3,443)
<b>General fund after pension liability</b>	<b>3,206</b>	<b>68,691</b>	<b>(67,831)</b>	<b>(1,112)</b>	<b>244</b>	<b>3,198</b>
<b>Designated funds</b>						
Students' awards	4	–	(1)	–	–	3
Tiger SOS	73	–	–	(73)	–	–
Giraffe conservation	32	–	(32)	–	–	–
Lion conservation	456	–	(86)	–	–	370
Conservation, science and education mission	412	–	(159)	–	–	253
Science projects	–	–	(185)	936	–	751
Butterfly and crocodile conservation	65	–	–	–	–	65
Elephant conservation	180	–	–	–	–	180
Tangible fixed asset fund	49,915	–	–	860	–	50,775
Tangible fixed asset commitments	1,900	–	–	(931)	–	969
Change reserve	–	–	–	1,500	–	1,500
	53,037	–	(463)	2,292	–	54,866
<b>Restricted funds:</b>						
<b>Endowment funds</b>						
De Arroyave	729	2	–	–	149	880
Fantham Bequest	38	–	–	–	13	51
Davis	2	–	–	–	–	2
	769	2	–	–	162	933
<b>Other restricted funds</b>						
Scientific	2,077	–	–	–	295	2,372
Library support	98	–	(19)	–	–	79
HEFCE	–	3,672	(3,672)	–	–	–
Fundraising development	790	487	(772)	–	–	505
Conservation and science	4,859	12,757	(12,676)	(1,180)	–	3,760
	7,824	16,916	(17,139)	(1,180)	295	6,716
<b>Total funds</b>	<b>64,836</b>	<b>85,609</b>	<b>(85,433)</b>	<b>–</b>	<b>701</b>	<b>65,713</b>

**Movement of funds for the year – Charity (prior period)**

	<b>At 1 January</b>					<b>At 30 April</b>
	<b>2016</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Gains/(losses)</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Unrestricted funds:</b>						
General fund before pension liability	5,496	59,021	(57,147)	(1,112)	373	<b>6,631</b>
Pension liability	(2,300)	–	(1,014)	–	(129)	<b>(3,443)</b>
<b>General fund</b>	<b>3,196</b>	<b>59,021</b>	<b>(58,161)</b>	<b>(1,112)</b>	<b>244</b>	<b>3,188</b>
<b>Designated funds</b>						
Students' awards	4	–	(1)	–	–	<b>3</b>
Tiger SOS	73	–	–	(73)	–	–
Giraffe conservation	32	–	(32)	–	–	–
Lion conservation	456	–	(86)	–	–	<b>370</b>
Conservation, science and education mission	412	–	(159)	–	–	<b>253</b>
Science projects	–	–	(185)	936	–	<b>751</b>
Butterfly and crocodile conservation	65	–	–	–	–	<b>65</b>
Elephant conservation	180	–	–	–	–	<b>180</b>
Tangible fixed asset fund	49,915	–	–	860	–	<b>50,775</b>
Tangible fixed asset commitments	1,900	–	–	(931)	–	<b>969</b>
Change reserve	–	–	–	1,500	–	<b>1,500</b>
	<b>53,037</b>	<b>–</b>	<b>(463)</b>	<b>2,292</b>	<b>–</b>	<b>54,866</b>
<b>Restricted funds:</b>						
<b>Endowment funds</b>						
De Arroyave	729	2	–	–	149	<b>880</b>
Fantham Bequest	38	–	–	–	13	<b>51</b>
Davis	2	–	–	–	–	<b>2</b>
	<b>769</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>162</b>	<b>933</b>
<b>Other restricted funds</b>						
Scientific	2,077	–	–	–	295	<b>2,372</b>
Library support	98	–	(19)	–	–	<b>79</b>
HEFCE	–	3,672	(3,672)	–	–	–
Fundraising development	790	487	(772)	–	–	<b>505</b>
Conservation and science	4,859	12,757	(12,676)	(1,180)	–	<b>3,760</b>
	<b>7,824</b>	<b>16,916</b>	<b>(17,139)</b>	<b>(1,180)</b>	<b>295</b>	<b>6,716</b>
<b>Total funds</b>	<b>64,826</b>	<b>75,939</b>	<b>(75,763)</b>	<b>–</b>	<b>701</b>	<b>65,703</b>

## 16. Analysis of group net assets between funds

### Group

#### Fund balances at 30 April 2018 are represented by

	Tangible and intangible assets £000	Investments £000	Other net assets £000	Total £000
Unrestricted funds	49,022	2,365	10,053	61,440
Restricted funds				
– Endowment funds	–	941	–	941
– Other restricted funds	–	2,390	7,181	9,571
	49,022	5,696	17,234	71,952

### Charity

#### Fund balances at 30 April 2018 are represented by

	Tangible and intangible assets £000	Investments £000	Other net assets £000	Total £000
Unrestricted funds	49,022	4,138	8,270	61,430
Restricted funds				
– Endowment funds	–	941	–	941
– Other restricted funds	–	2,390	7,181	9,569
	49,022	7,469	15,451	71,942

### Group – prior year

#### Fund balances at 30 April 2017 are represented by

	Tangible and intangible assets £000	Investments £000	Other net assets £000	Total £000
Unrestricted funds	50,775	2,180	5,109	58,064
Restricted funds				
– Endowment funds	–	933	–	933
– Other restricted funds	–	2,322	4,394	6,716
	50,775	5,435	9,503	65,713

### Charity – prior year

#### Fund balances at 30 April 2017 are represented by

	Tangible and intangible assets £000	Investments £000	Other net assets £000	Total £000
Unrestricted funds	50,775	3,953	3,326	58,054
Restricted funds				
– Endowment funds	–	933	–	933
– Other restricted funds	–	2,322	4,394	6,716
	50,775	7,208	7,720	65,703

## 17. Pension schemes

The Society has contributed to both defined benefit and defined contribution schemes during the year and defined benefit schemes are accounted for as if they were defined contribution schemes if required by FRS 102 Section 28 'Employee benefits'. Employees join the appropriate scheme, depending on their employment terms. The total cost to the Society for the year ended 30 April 2018 in respect of pension contributions has been allocated between expenditure categories in proportion to staff costs and charged to the Consolidated Statement of Financial Activities as appropriate as follows:

	<b>2017/18 12 months £000</b>	<b>2016/17 16 months £000</b>
Defined benefit scheme contributions	644	1,430
Defined contributions schemes*	1,360	1,277
	<u>2,004</u>	<u>2,707</u>

At 30 April, there were outstanding employer's and employees' contributions, including any additional voluntary contributions, to the schemes as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Defined benefit scheme contributions	–	9
Defined contributions schemes*	10	1
	<u>10</u>	<u>10</u>

\* Includes amount in respect of the USS, which is a defined benefit scheme, but as required by FRS 102 Section 28 'Employee benefits', is accounted for as if it were a defined contribution scheme.

Most employees who participate in a scheme do so in either the Zoological Society 1988 Pension Scheme (ZS 1988), which is the Society's own self-administered occupational pension scheme, or the Universities Superannuation Scheme, which is contracted out of the State Second Pension (S2P) or the Friends Life schemes. As the ZS 1988 scheme was closed to employees joining after 30 June 2011, a Friends Life stakeholder-defined contribution scheme is available for those employees.

The date of the last triennial actuarial valuation was 30 June 2017.

### ZS 1988 Pension Scheme

	<b>At year end 30 April 2018 £000</b>	<b>At period end 30 April 2017 £000</b>
<b>Changes in present value of the defined benefit value of obligation</b>		
Defined benefit obligation at the start of the period	53,408	44,100
Current service cost	1,160	1,808
Interest cost	1,480	2,354
Actuarial (gain)/loss	(3,588)	7,218
Benefits paid	(1,128)	(2,072)
Change due to settlements or curtailments	(2,897)	–
Benefit obligation at the end of the period	<u>48,435</u>	<u>53,408</u>
<b>Changes in fair value of plan assets</b>		
Fair value of plan assets at the start of the period	49,965	41,800
Interest income	1,389	2,194
Employer contribution	644	1,430
Benefits paid (including expenses)	(1,385)	(2,548)
Return on plan assets (excluding net interest on the net defined benefit liability)	1,003	7,089
Fair value of plan assets at the end of the period	<u>51,616</u>	<u>49,965</u>

**Amounts recognised in the balance sheet**

Plans that are wholly unfunded and plans that are wholly or partly funded:

Present value of wholly or partly funded obligations	48,435	53,408
Fair value of plan assets	51,616	49,965
<b>(Gain)/Deficit for funded plans and net (assets)/liabilities</b>	<b>(3,181)</b>	<b>3,443</b>

	At year end 30 April 2018 £000	At period end 30 April 2017 £000
<b>Components of pension cost</b>		
Current service cost	1,160	1,808
Pension scheme expenses	257	476
Settlements or curtailment gain	(2,897)	–
Net finance expense	91	160
Pension cost recognised in net income	(1,389)	2,444
<b>Amounts recognised after gains or losses:</b>		
Return on plan assets less income on plan assets	(1,003)	(7,089)
Actuarial (gain)/loss	(3,588)	7,218
Total of pension cost recognised in the consolidated statement of financial activities	(5,890)	2,573

Actual return on plan assets for 2018 is £2,392,000 (2017: £9,283,000).

**Principal actuarial assumptions****Weighted average assumptions used to determine benefit obligations**

	At year end 30 April 2018 %	At period end 30 April 2017 %
Discount rate	2.8	2.8
Future salary increase	N/A	4.4
Rate of price inflation (Retail Price Index)	3.2	3.4
Rate of price inflation (Consumer Price Index)	2.2	2.4
Future pension increases:		
Retail Price Index capped at 5%	3.1	3.2
Retail Price Index capped at 5% subject to a minimum of 3%	3.6	3.6

**Plan assets****Fair value of plan assets**

	At 30 April 2018 £000	At 30 April 2017 £000
Cash and cash equivalents	1,098	–
Equity investments	25,239	28,480
Diversified growth funds	3,881	3,498
Debt investments	20,179	16,988
Real estate	1,219	999
	<u>51,616</u>	<u>49,965</u>

**Assumed life expectancy on retirement age at 65**

	30 April 2018		30 April 2017	
	Male	Female	Male	Female
Retiring today (member age 65)	22.0	23.9	23.0	24.9
Retiring in 25 years (member age 40 today)	23.8	25.8	24.8	26.3

**Plan assets**

Percentage of plan assets by asset allocation

	<b>2018</b>	<b>2017</b>
	%	%
Equity securities	56	64
Debt securities	39	34
Property	2	2
Cash	3	–
Total	100	100

**Contributions**

There were no outstanding contributions payable to the plan at 30 April 2018 (2017: £9,000) and no further contributions will be paid due to the closure of the scheme.

**Universities Superannuation Scheme (USS)**

**Key sources of estimation uncertainty**

The total gain/cost charged to the profit and loss account is a gain of £190,000 (2016-17: loss of £1,014,000).

The latest available complete actuarial valuation of the Retirement Income Builder Section of the Scheme is at 31 March 2014 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2017 is under way, but not yet completed.

Since the Society cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £41.6bn and the value of the Scheme's technical provisions was £46.9bn, indicating a shortfall of £5.3bn. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 30 April 2017 and 2018.

	<b>2018</b>	<b>2017</b>
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pensions increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2018</b>	<b>2017</b>
<b>Mortality base table</b>	<p><b>Pre-retirement:</b> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.</p> <p><b>Post retirement:</b> 96.5% of SAPS S1NMA 'light' for males 101.3% of RFV00 for females.</p>	<p>98% of SAPS S1NA "light" YOB unadjusted for males.</p> <p>99% of SAPS S1NA 'light' YOB with a -1 and unadjusted for females.</p>
<b>Future improvements to mortality</b>	CMI_2016 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% for females.	CMI_2014 with a long-term rate of 1.5% pa.

The current life expectancies on retirement at age 65 are:

	<b>2018</b>	<b>2017</b>
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0

	<b>2018</b>	<b>2017</b>
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS 102 total scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

As noted above, it is not possible to split out the assets and liabilities of the USS Scheme, hence ZSL has recognised in these accounts the deficit obligations liability with other creditors, and long-term creditors and movements in this liability have been shown below:

	<b>£000</b>
USS creditor at 1 May 2017	607
Unwinding of discount factor	22
Deficit contributions payable	(40)
Additional funding charge	(172)
Movement in the year	(190)
USS creditor at 30 April 2018	<u>417</u>

Payable by instalments:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Within one year	35	49
Between one to two years	35	48
Between two to five years	101	140
After five years	246	370
	<u>417</u>	<u>607</u>

## 18. Leasing commitments

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Payments due:		
Within one year	682	664
Between two to five years	1,769	1,754
	<u>2,451</u>	<u>2,418</u>

## 19. Capital commitments

Outstanding capital commitments at 30 April 2018 amounted to £nil (2017: £88k).

## 20. Net cash from operating activities

	2017/18 £000	Group 2016/17 £000
Net income before other gains/(losses)	1,648	1,006
Defined benefit pension scheme costs less contributions	(2,223)	1,014
Defined contribution USS pension scheme movement	190	–
Gain on investments	(261)	(830)
Interest and investment income	(107)	(206)
Amortisation of intangible assets	338	79
Depreciation of tangible fixed assets	3,757	5,294
Disposal of tangible fixed assets	310	–
Decrease/(increase) in stock	123	(112)
Increase in debtors	(501)	(1,369)
Increase in creditors	1,008	964
<b>Net cash inflow from operating activities</b>	<b>4,282</b>	<b>5,840</b>

Analysis of consolidated net cash resources

	At 1 May 2017 £000	Cash flow £000	At 30 April 2018 £000
Cash at bank and in hand	15,724	1,737	17,461

## 21. Contingent liabilities

The Charity is jointly and severally liable for all Value Added Tax (VAT) debts of the VAT group registration of which it is a part, relating to the year that it has been a member of the VAT group. The total VAT debtor for the VAT group at 30 April 2018 was £391,351 (30 April 2017 – £147,420).

## 22. Related parties

There were no material-related party transactions in the year (2017: none), except for the transactions with subsidiary companies. Per SORP and FRS 102 the related party disclosure for the subsidiaries (refer to note 11 regarding their purposes) are:

	2017/18			2016/17		
	Intercompany debtor/(creditor) at 30 April 2018	Gift aid distribution to ZSL	Support costs charged to subsidiary during the period	Intercompany debtor/(creditor) at 31 Dec 2016/17	Gift aid distribution to ZSL	Support costs charged to subsidiary during the period
Zoo Enterprises Limited	£6,142,023	£1,143,175	£1,382,565	£5,331,045	£2,863,475	£1,725,053
Whipsnade Wild Animal Park Limited	(£356,567)	–	–	(£356,567)	–	–
Zoo Operations Limited	(£1,314,478)	–	–	(£1,314,478)	–	–

## 23. Heritage assets

ZSL Library holds a significant range of important heritage items including historic publications, illustrated books, artworks, sculptures and archives of ZSL's own records.

Heritage items are acquired through donations and legacies. Annual funds are specifically allocated to the preservation of these items, and copies are made of priority items through a system of digitisation. Most heritage items are stored in secure areas on ZSL premises with controlled access. These items are recorded in an online catalogue. Viewing of heritage items is strictly controlled and invigilated at all times.

The Trustees of ZSL consider from time to time the maintenance or disposal of heritage assets.

## 24. Financial instruments

The carrying amount of the Society's financial instruments at the year end were:

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
<b>Financial Assets</b>				
Debt instruments measured at amortised cost	5,622	5,050	10,985	8,343
Financial assets at fair value through profit and loss	5,696	5,435	5,696	5,435
	<u>11,318</u>	<u>10,485</u>	<u>16,681</u>	<u>13,778</u>
<b>Financial Liabilities</b>				
Financial Liabilities measured at amortised cost	4,932	4,294	6,007	3,979
	<u>4,932</u>	<u>4,294</u>	<u>6,007</u>	<u>3,979</u>

## 25. Charity Statement of Financial Activities

A summary SOFA for the Charity itself is presented below, with the turnover and resources expended for Whipsnade Wild Animal Park Limited, Zoo Operations Limited and Zoo Enterprises Limited in the consolidated SOFA replaced in the Charity's SOFA by the amount of gift aid payable to the charity by these companies.

	Unrestricted £000	Restricted £000	Endowment £000	2017/18 12 months total £000	2016/17 16 months total £000
<b>Income and endowments from</b>					
Donations and legacies	1,715	2,730	–	<b>4,445</b>	<b>6,330</b>
Charitable activities	36,767	13,227	–	<b>49,994</b>	<b>66,554</b>
Gift aid from profits from trading subsidiaries	1,143	–	–	<b>1,143</b>	<b>2,863</b>
Investment income	45	62	–	<b>107</b>	<b>192</b>
<b>Total income</b>	<b>39,670</b>	<b>16,019</b>	<b>–</b>	<b>55,689</b>	<b>75,939</b>
<b>Expenditure on</b>					
Raising funds:					
Cost of generating voluntary income	1,094	438	–	<b>1,532</b>	1,675
Charitable activities:					
Zoo animal collection and conservation	33,818	79	–	<b>33,897</b>	49,300
VAT reclaim on animal-related costs	–	–	–	–	(1,014)
Science and research	2,237	3,235	–	<b>5,472</b>	7,778
Conservation field programmes	3,261	10,140	–	<b>13,401</b>	18,024
<b>Total expenditure</b>	<b>40,410</b>	<b>13,892</b>	<b>–</b>	<b>54,302</b>	75,763
Net gains on investments	148	105	8	<b>261</b>	830
<b>Net (expenditure)/income</b>	<b>(592)</b>	<b>2,232</b>	<b>8</b>	<b>1,648</b>	1,006
Other recognised gains/(losses):					
Remeasurement of defined benefit obligation	4,591	–	–	<b>4,591</b>	(129)
Transfers between funds	(623)	623	–	–	–
<b>Net movement in funds</b>	<b>3,376</b>	<b>2,855</b>	<b>8</b>	<b>6,239</b>	877
Reconciliation of funds:					
Total funds brought forward	58,054	6,716	933	<b>65,703</b>	64,826
Total funds carried forward	<u>61,430</u>	<u>9,571</u>	<u>941</u>	<b>71,942</b>	65,703

26. Consolidated Statement of Financial Activities for the period ended 30 April 2017

	Unrestricted £000	Restricted £000	Endowment £000	2016/17 16 months total £000	2015 12 months total £000
<b>Income and endowments from</b>					
Donations and legacies	3,717	2,613	–	6,330	3,580
Charitable activities:					
Zoo animal collection and conservation	48,895	2	–	48,897	34,529
Science and research	3,415	3,575	–	6,990	4,424
Conservation field programmes	54	10,613	–	10,667	3,385
Trading activities	12,519	–	–	12,519	9,257
Investment income	91	113	2	206	375
<b>Total income</b>	<b>68,691</b>	<b>16,916</b>	<b>2</b>	<b>85,609</b>	<b>55,550</b>
<b>Expenditure on</b>					
Raising funds:					
Costs of generating voluntary income	1,430	245	–	1,675	1,116
Fundraising trading: cost of goods sold	9,670	–	–	9,670	6,704
Charitable activities:					
Zoo animal collection and conservation	48,755	545	–	49,300	33,192
VAT reclaim on animal-related costs	(1,014)	–	–	(1,014)	(1,588)
Science and research	3,561	4,217	–	7,778	6,243
Conservation field programmes	5,892	12,132	–	18,024	7,348
<b>Total expenditure</b>	<b>68,294</b>	<b>17,139</b>	<b>–</b>	<b>85,433</b>	<b>53,015</b>
Net gains/(losses) on investments	373	295	162	830	(130)
<b>Net income/(expenditure)</b>	<b>770</b>	<b>72</b>	<b>164</b>	<b>1,006</b>	<b>2,405</b>
Other recognised (losses)/gains:					
Remeasurement of defined benefit obligation	(129)	–	–	(129)	2,600
Transfers	1,180	(1,180)	–	–	–
Net movement in funds	1,821	(1,108)	164	877	5,005
<b>Reconciliation of funds:</b>					
Total funds brought forward	56,243	7,824	769	64,836	59,831
<b>Total funds carried forward</b>	<b>58,064</b>	<b>6,716</b>	<b>933</b>	<b>65,713</b>	<b>64,836</b>

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**Cover photo:** African elephant

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