

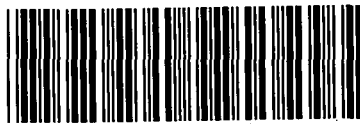
**Company Registration No. 2499006**  
**Registered Charity No. 803428**

**The Foundation and Friends of the  
Royal Botanic Gardens, Kew**

**Trustees' Report and Financial Statements**

**31 March 2014**

SATURDAY



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COMPANIES HOUSE

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Charity Reference Details

### Directors / Trustees

Mr Marcus Agius *	Chairman	Mr George Loudon
Mr Giles Coode-Adams *+	Treasurer	Mrs Angela Lynch
Mrs Hélène David-Weill (appointed 2 July 2014)		Dr Michael Lynch
Dr Edwin Davies (appointed 2 July 2014)		Mrs Hélène Marie Shafran (appointed 20 March 2014)
Mrs Barbara Davis		Mr Jacob Shafran (appointed 20 March 2014)
Mr Mick Davis		Mr Charles Sherwood *
Mr Johan Eliasch		Mr Robert Swannell
Mrs Kara Gnodde		Mrs Patricia Swannell *+
Mr Richard Gnodde		Mrs Carol Walsh-Knutson (appointed 20 March 2014)
Mr Stephen Hester		Ms Johanna Waterous *
Sir Henry Keswick		

\* Denotes member of Finance & General Purposes Committee (FGPC)

+ Denotes member of Investment Committee

**Company Secretary** Mrs Miranda Fisher

**Company registered No.** 2499006

**Charity registered No.** 803428

### Executive Staff

Chief Executive Officer	Mr Michael Murphy
Director, Major Giving	Ms Shannon Callahan
Director, Individual Giving	Mr Russell le Page
Director, Operations	Dr Lynne Guyton

**Registered & principal office** 47 Kew Green  
Richmond, Surrey  
TW9 3AB

### Bankers

Lloyds Bank PLC	Barclays Bank PLC
19-21 The Quadrant	1 Churchill Place
Richmond	London
Surrey	E14 5HP
TW9 1BP	

CCLA Investment Management Ltd	CAF (Charities Aid Foundation)
80 Cheapside	CAF Bank
London	25 Kings Hill Avenue
EC2V 6DZ	Kings Hill
	West Malling
	Kent
	ME19 4TA

Bank of Scotland PLC
The Mound
Edinburgh
EH1 1YZ

## **The Foundation and Friends of the Royal Botanic Gardens, Kew**

### **Legal Advisers**

Burges Salmon LLP	Withers LLP
One Glass Wharf	16 Old Bailey
Bristol	London
BS2 0ZX	EC4M 7EG

### **Auditor**

Deloitte LLP
Chartered Accountants & Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD

### **Investment Managers**

Heartwood Investment Managers Ltd	Goldman Sachs International
12 Henrietta Street	River Court
London	120 Fleet Street
WC2E 8LH	London
	EC4A 2BE

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Trustees report**

### **Introduction**

The Trustees, who are also Directors of the Foundation and Friends of the Royal Botanic Gardens, Kew (the “Foundation”) for the purposes of the Companies Act, submit their Annual Report and the audited Financial Statements of the Foundation for the year ended 31 March 2014.

The Foundation is a Registered Charity (number 803428) and a Company limited by guarantee (number 2499006). It is governed by its Articles of Association (revised in March 2013).

### **Object**

The Foundation’s object, set out in its Articles of Association, is to provide support for the Royal Botanic Gardens, Kew (“RBG Kew”) in such manner as the Foundation shall think fit.

### **Public benefit**

RBG Kew’s general functions are set out in the National Heritage Act 1983 and are to:

- carry out investigation and research into the science of plants and related subjects, and disseminate the results of the investigation and research;
- provide advice, instruction and education in relation to those aspects of the science of plants with which RBG Kew is concerned;
- provide other services (including quarantine) in relation to plants;
- care for its collections of plants, preserved plant material, other objects relating to plants, books and records;
- keep the collections as national reference collections, ensure that they are available to persons for the purposes of study, and add to and adapt them as scientific needs and RBG Kew resources allow; and
- afford to members of the public opportunities to enter any land occupied or managed by RBG Kew, for the purpose of gaining knowledge and enjoyment from RBG Kew’s collections.

The Trustees have reviewed the activities of RBG Kew against the public benefit principles outlined in the guidance issued by the Charities Commission and the Trustees believe that, as these meet the public benefit charitable aims, the Foundation in turn meets the public benefit requirements.

### **Strategic aims**

The Foundation has a number of strategic aims:

- to maximise net income to support the future plans of RBG Kew;
- to build relationships with key stakeholders who support, or could support, the work of RBG Kew through a gift of money, time or advocacy;
- to continue to position the work of RBG Kew as a ‘cause’ both in the UK and internationally and to enhance RBG Kew’s reputation;
- to manage the cost of fundraising activities, while maintaining reserves in line with policy; and
- to increase understanding of fundraising across RBG Kew and engage all key departments in order to build fundraising effectiveness.

To achieve these goals, the Foundation will:

- ensure that it attracts and retains high quality, committed staff and that it manages operations efficiently and effectively so as to achieve the maximum return on investment;
- gain insight into the key interest areas of existing supporters;

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Trustees report**

### **Strategic aims (continued)**

- develop and deliver an effective, relevant and integrated fundraising and communications programme that engages new potential supporters and maintains long-term relationships with existing supporters. The Foundation will continue to articulate appropriate and timely information on RBG Kew projects, their urgency and impact;
- recruit further leadership to the Board and ambassadors for particular projects; and
- strengthen RBG Kew/Kew Foundation working partnerships at all levels.

### **Trustees and Directors**

The Trustees who held office during the year are listed on page 1.

The Foundation Board of Trustees provide leadership and help generate voluntary income by inspiring donors, staff and other key audiences about RBG Kew's mission.

The Board votes on the election of new members at their regular meetings. Any new Trustee is elected for a period of three years after which time they may be re-appointed. The Foundation is currently reviewing its process for appointing Board members.

New Trustees are given an induction to introduce them to the Foundation as well as to the work of RBG Kew at its two sites (Kew and Wakehurst Place) and around the world. Trustees receive briefings from management and meet staff to understand and review different aspects of the organisation. New projects that are being undertaken by RBG Kew are explained and visits made to projects where practicable.

During 2013/14, the Foundation Board of Trustees, which had nineteen members, met four times, one of which was a strategy day with RBG Kew Trustees and Directors of RBG Kew Enterprises Ltd. Two new Trustees were appointed in July 2014. The Trustees have agreed one subcommittee, the Finance and General Purposes Committee (FGPC), chaired by the Treasurer. The FGPC met three times. The Investment Committee, a sub-Committee of the FGPC, met twice.

Mr Michael Murphy, the Foundation's Chief Executive Officer is responsible for the day-to-day operations of the Foundation. With the Foundation Board's approval, the CEO delegates certain tasks to the Foundation Executive. The Foundation Executive attends all Foundation Board Meetings.

The Trustees receive a monthly report which includes a summary of financial information, key activities and actions. The FGPC, reviews the annual budget and strategy, the statutory accounts, and the risk register and receives reports that show progress against the annual budget, report cash balances held and the value of the investments held. The FGPC agrees the use of restricted legacies and reviews grants to RBG Kew. The FGPC then makes recommendations to the Foundation Board for approval.

### **Investment policy and Statement of Investment Principles**

Acting on behalf of the Trustees, the Investment Committee, a Sub-Committee of the FGPC updated the investment policy in 2013/14.

The Foundation holds funds for the short and medium-term to ensure liquidity and to meet the requirements for specific projects and purposes. These funds are invested in short and medium-term deposits and other short and medium term instruments according to the guidelines set out by the Investment Committee, reviewed annually.

The Investment Committee has delegated the investment management role over its investment portfolios to Heartwood Investment Managers (Heartwood) and Goldman Sachs International. For the funds managed by Heartwood, the Foundation adopts an 'Absolute Return' approach to investment, recognising the investment return from income and capital gains or losses.

The overall investment objective of the funds managed by Heartwood is to achieve positive real returns in excess of inflation over the long term, while maintaining a medium tolerance to risk.

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Trustees report**

### **Investment policy and Statement of Investment Principles (continued)**

During the year, Goldman Sachs were appointed as Cash Managers, using their Sterling Money Market Fund to offer preservation of capital and immediate liquidity.

### **Reserves policy**

The Foundation's reserves policy states that the unrestricted funds, including those designated or invested in tangible assets, should be a minimum of six months' net operating expenditure, excluding grants. Including designated reserves, the reserves of £2.2M (2013: £3.8M) are sufficient to meet the current working capital requirements of the Foundation.

### **Grant policy**

In order to secure the consent of the Foundation Trustees to release funds, RBG Kew submits a grant request to the Foundation for a particular purpose. This request is independently reviewed by the Foundation Trustees. All grants must be in line with the strategic aims of RBG Kew and the Foundation and conform to the statement of public benefit referred to above. If approved, funds are transferred subject to an appropriate audit trail evidencing use of funds.

### **Related party transactions**

The Foundation has related party transactions with RBG Kew and also with RBG Kew Enterprises Ltd (a wholly owned subsidiary of RBG Kew). The expenditure transactions are for the provision of office premises, IT and other services and associated costs, including *Kew Magazine* which is sent to members and subscribers.

As of 31 March 2014, three Foundation Trustees were also on the Board of RBG Kew. One of these, Mr Marcus Agius, was appointed Chairman of RBG Kew Board of Trustees in October 2009.

On 30 July 2013, The Foundation and Friends of RBG Kew Trading Ltd, the trading subsidiary of the Foundation, was dissolved.

### **Governance and management**

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- the adoption of a procedures manual, reviewed and amended on a regular basis;
- an annual plan and budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators;
- delegation of authority and segregation of duties, where appropriate; and
- the identification and management of risks.

### **Pension plan**

The Foundation established a money purchase Group Personal Pension Plan on 1 April 1999 with pension provider Aegon. All permanent staff are invited to join the plan. The Foundation makes a contribution of 6% of annual salary. Members may make voluntary contributions within the remit of the scheme.

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Trustees report**

### **Going Concern**

The Trustees are confident that the Foundation is a going concern. The Trustees regularly review the Foundation's reserves and investments' policies. They ensure that restricted funds are transferred to RBG Kew in a timely manner and make grants of unrestricted funds conditional on adequate reserves within the Foundation. The Trustees have reviewed income and expenditure forecasts and believe that there are adequate resources for the foreseeable future.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Strategic report

### Review of activities and future developments

The Trustees wish to express their gratitude to all those who continue to provide generous support to the Foundation. In 2013/14, in close collaboration with the energetic and committed staff and supporters of RBG Kew, the Foundation had the most successful year in its 21-year history raising income of £15.9M (2013: £11.9M)<sup>1</sup>.

The Foundation is now four years into its five-year Breathing Planet Campaign, a major fundraising initiative to raise £100M for RBG Kew by March 2015. The Trustees are pleased to report that by 31 March 2014, the total of gifts & pledges stood at £78M.

In the Foundation's accounting parlance, a "pledge" is defined as a formal promise to make a donation; and "income" is cash and accrued income, i.e. income which has not been received but where there is entitlement, certainty and measurement.

In 2013/14 the Foundation received £13.2M (2013: £18.8M) in income and pledges. The Trustees are particularly grateful to the Heritage Lottery Fund and the Big Lottery Fund for their continued support, but also private philanthropy, through the support of leading foundations and corporations as well as many thousands of individual supporters. These supporters have helped the Foundation to provide funds for RBG Kew so that it can realise its mission. In addition the Trustees extend their gratitude to Kew's family of supporters who provide the unrestricted funding necessary for Kew to meet its most critical needs and maintain its scientific and horticultural excellence.

The Breathing Planet Campaign has six fundraising priorities:

- banking and sharing the world's seeds;
- unlocking the power of plants for people;
- conserving and restoring habitats;
- educating the next generation;
- preserving Kew's heritage; and
- meeting Kew's immediate and long-term needs.

The following is a selection of programmes initiated and developed during 2013/14:

- **International Markets:** Focused major gifts work in target international markets is a central strategy for the Foundation. Major gift fundraising continues in Asia with a focus on Hong Kong and Singapore. Kew Foundation organised public lectures in Hong Kong. A Latin America strategy has been developed and major gift fundraising has begun in Mexico. A delegation went to Brazil along with Kew scientists and former Kew Director Sir Ghilleen Prance in November. The Foundation thanks the American Society for RBG Kew and the Joseph Banks Society in the United States for their support and the events they hosted in San Francisco and New York.
- **Events:** Over 5,000 people attended Foundation events, double that of the previous year as a result of a more ambitious events programme that has expanded both in the UK and internationally. Highlights included several new events to the annual calendar: Circle of Benefactor's Dinner, Patron events; debates in central London, A Corner of Kew and Christmas at Kew. These ran alongside existing established events; the Director's Garden Party, bi-annual George Bentham Legacy lunches, a series of Directors' Dinners, the annual Director's talks and members' tours of the Herbarium and Tropical Nursery as well as bespoke tours for principal and major donors and prospects.
- **Membership:** The Foundation ended the year with just over 54,100 members (2012: 53,500) generating £4.1M (2013 £3.8M) of membership income, including Gift Aid. We increased membership fees with effect from 1 April 2014 in line with inflation.

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<sup>1</sup> Throughout this report we use "M" for million and "k" for thousand.



# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Strategic report

### Income generation

The long-term key efficiency target for the Foundation is a Return on Investment (ROI) of at least 4:1. As a rule of thumb, internally, the Foundation divides total income raised by total costs (excluding grants and gifts in kind). On this basis, the ROI for the year was 4.4: 1. This target remains in place for the coming year.

Performance against plan is shown in the table below.

	2013/14 Plan	2013/14 Actual	2014/15 Plan
New gifts and pledges	£17.0M	£13.2M	£13.5M
Income	£15.0M	£15.9M	£17.5M

Whilst income exceeded plan by £0.9M, new gifts and pledges were £3.8M less than plan. Due to promotions within the Major Gifts team, and subsequent delivery of developing new markets in Asia and Latin America, the Foundation had a gap in fundraising capacity for new gifts and pledges from individuals. In addition, accurately projecting new gifts and pledges is an inexact science as one large gift not being realised can significantly impact achievement of goals.

### Financial review

The results for the year are set out in the Statement of Financial Activities (SOFA).

The income of £15.9M (2013: £11.9M) is, for the third successive year, the highest grossing year in the history of the Foundation.

Membership income from individuals, excluding Gift Aid, was £3.3M (2013: £3.1M). Gift Aid on the membership income was £0.8M (2013: £0.7M). Donations from individuals decreased to £2.6M (2013: £3.3M) and income from corporate membership was £180k (2013: £100k). Grant income rose to £7.2M (2013: £4.3M). Legacy income increased to £1.6M (2012: £0.3M).

The operating profit for the year amounted to £1.8M (2013: -£0.8M deficit) after RBG Kew grants of £10.2M (2013: £8.7M). Included in this amount was a deficit of -£1.6M (2013: -£2.9M) on unrestricted funds, before transfers and gains on investments.

At 31 March 2014, the Foundation's total funds amounted to £23.1M (2013: £21.1M); consisting of £6.7M (2013: £5.3M) in endowments, £2.2M (2013: £3.8M) in unrestricted funds and £14.2M (2013: £12.0M) in donor restricted funds. The Trustees are satisfied that current fund balances are in line with the Foundation's reserves policy.

### Funds for RBG Kew

During 2013/14, £7.3M (2013, £4.8M) was granted to RBG Kew by the Foundation for specific projects from restricted funds and, in addition, grants of £2.9M (2013: £3.9M) were awarded from unrestricted funds. In total, therefore, the Foundation granted RBG Kew awards totalling £10.2M (2013: £8.7M).

As at 31 March 2014, the Foundation held £14.2M (2013: £12.0M) in restricted funds. A list of those restricted projects with balances or movements of over £50k is shown in note 15. Key projects supported by the Foundation in 2013/14 include:

- **Millennium Seed Bank (£3.1M granted in 2013/14):** The Millennium Seed Bank Partnership is the largest ex situ plant conservation programme in the world. The focus is on global plant life faced with the threat of extinction and plants of most use for the future. The seeds saved are conserved in seed banks as an insurance against the risk of extinction in their native habitat, targeting plants and regions most at risk from the ever-increasing impact of human activities, including land use and climate change.
- **Temperate House Restoration (£1.5M granted in 2013/14):** Opened in 1863, the Temperate House is the largest surviving Victorian glasshouse in the world. In August 2013, Kew started a vital five year restoration project.

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Strategic report**

- **Grow Wild (£1.6M granted in 2013/14):** The programme aims to motivate people and organisations across the UK to participate in high-profile community-led environmental activities, based around educating, preserving and promoting the importance of the diversity of UK plant species.

### **Risk assessment**

The risk management process includes regular review of the risks that the Foundation faces from a strategic viewpoint. The Trustees, with advice from their advisers, review risk on a regular basis and implement new risk management initiatives where appropriate or necessary. The risk register includes various actions to mitigate identified risks and minimise any potential impact.

The Trustees have identified the major risks to which they believe the Foundation is exposed under five key headings: Operational, Financial, Information Technology, Environmental and Hazards.

As the role of the Foundation is to generate support and fundraise for RBG Kew, many of the key risks now, and in the future, relate to the ability of the Foundation to maintain and improve its current fundraising and membership activities.

Two of the main risks for the Foundation, fundraising project prioritisation and staff turnover are discussed in further detail below.

### **Fundraising Project Prioritisation**

Donations made to the Foundation are used to fund a variety of science, educational and horticultural projects undertaken by RBG Kew. The Foundation regularly initiates campaigns to fundraise for specific RBG Kew projects. As the Breathing Planet Campaign draws to a close, the Foundation has begun to work with RBG Kew to identify projects suitable for fundraising by the Foundation, always ensuring that such projects are in line with agreed campaign priorities. The Foundation and RBG Kew are in the process of establishing the "Project Bank" (a list of projects which are either at the proposal stage or have already been approved by RBG Kew), from which the Foundation will select projects for targeted fundraising. To assist with deciding which RBG Kew projects will benefit from the Foundation's fundraising efforts, the Foundation has a project prioritisation system in place. The system uses five criteria to score and prioritise projects: strategic fit, internal capacity, timeliness, funding capacity and return on investment. Accordingly, decisions are made against agreed metrics which helps to ensure that the Foundation's resources are used most effectively.

### **Staff turnover**

As the Foundation is very much a people business, turnover of staff could present a problem. However, in the last year, to promote a good working environment, a number of policies have been implemented. Firstly, the Foundation has moved away from using contractors to having a permanent team whereby knowledge acquired is retained within the Foundation. The Foundation has also implemented a full Learning Policy with three strands now in place: Training, Development & Educational Assistance and we are encouraging every member of the team to identify training needs for the financial year.

## The Foundation and Friends of the Royal Botanic Gardens, Kew

### Trustees' responsibilities statement

The Trustees (who are also directors of Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 charitable company will continue in business.

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

In so far as the Trustees are aware:

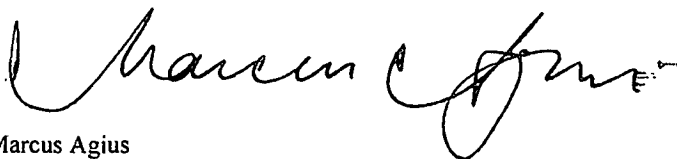
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

#### Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the Annual General Meeting.

The Trustees Annual Report and Strategic Report were approved by the Trustees and signed on their behalf by:



Marcus Agius  
Chairman

10 July 2014

## **Independent auditor's report to the members of The Foundation and Friends of the Royal Botanic Gardens, Kew**

We have audited the financial statements of The Foundation and Friends of the Royal Botanic Gardens, Kew for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Trustees and auditor**

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

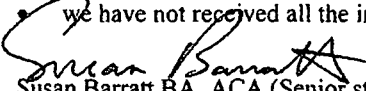
### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

  
Susan Barratt BA, ACA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Reading

17 July 2014

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Statement of Financial Activities (including the income and expenditure account)

Year ended 31 March 2014

	Notes	Restricted funds £'000	Endowment funds £'000	Unrestricted funds £'000	Total funds 2014 £'000	Total funds 2013 £'000
<b>Incoming resources:</b>						
Incoming resources from generated funds:						
Voluntary income	2	9,727	1,252	4,626	15,605	11,671
Activities for generating funds	3	-	-	99	99	8
Investment income	4	52	93	4	149	249
<b>Total incoming resources</b>		<b>9,779</b>	<b>1,345</b>	<b>4,729</b>	<b>15,853</b>	<b>11,928</b>
<b>Resources expended</b>						
<b>Costs of generating funds:</b>						
Cost of voluntary income	5	(297)	-	(1,697)	(1,994)	(2,080)
Fund Management: Heartwood investment costs		-	(35)	-	(35)	(14)
Fundraising trading: cost of goods sold and other costs	6	-	-	(232)	(232)	(226)
Charitable activities (incl. Grants made)	7	(7,337)	-	(4,357)	(11,694)	(10,244)
Governance costs	8	-	-	(124)	(124)	(130)
<b>Total resources expended</b>		<b>(7,634)</b>	<b>(35)</b>	<b>(6,410)</b>	<b>(14,079)</b>	<b>(12,694)</b>
<b>Net incoming / (outgoing) resources for the year before transfers</b>	10	<b>2,145</b>	<b>1,310</b>	<b>(1,681)</b>	<b>1,774</b>	<b>(766)</b>
Gross transfers between funds	15	56	(181)	125	-	-
<b>Net incoming / (outgoing) resources before other recognised gains and losses</b>		<b>2,201</b>	<b>1,129</b>	<b>(1,556)</b>	<b>1,774</b>	<b>(766)</b>
<b>Other recognised gains</b>						
Realised gains on investments		-	113	-	113	62
Unrealised gains on investments	12	-	175	-	175	437
<b>Net movement in funds</b>		<b>2,201</b>	<b>1,417</b>	<b>(1,556)</b>	<b>2,062</b>	<b>(267)</b>
<b>Funds brought forward</b>	15	<b>12,006</b>	<b>5,274</b>	<b>3,778</b>	<b>21,058</b>	<b>21,325</b>
<b>Funds carried forward</b>	15	<b>14,207</b>	<b>6,691</b>	<b>2,222</b>	<b>23,120</b>	<b>21,058</b>

All of the above results are derived from continuing operations. All gains and losses recognised in the year are included above. All restricted funds received and expended relate to income funds.

The surplus for the year for Companies Act purposes was £1,887k (2013: -£704k deficit).

Notes 1 to 20 form part of these accounts.

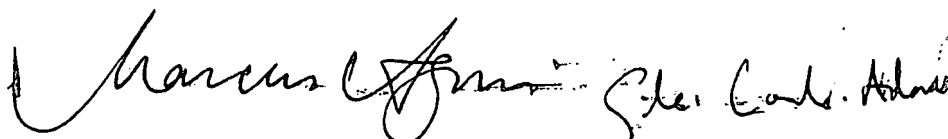
# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Balance Sheet 31 March 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	11	28	92
Investments	12	16,697	5,280
<b>Total fixed assets</b>		<u>16,725</u>	<u>5,372</u>
<b>Current assets</b>			
Debtors	13	1,032	776
Cash at bank and in hand		8,415	17,766
<b>Total current assets</b>		<u>9,447</u>	<u>18,542</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,052)</u>	<u>(2,856)</u>
<b>Net current assets</b>		<u>6,395</u>	<u>15,686</u>
<b>Total assets less current liabilities</b>		<u>23,120</u>	<u>21,058</u>
<b>Creditors: amounts falling due after one year</b>		-	-
<b>Net assets</b>		<u>23,120</u>	<u>21,058</u>
<b>Accumulated funds</b>			
Restricted income funds	15	14,207	12,006
Endowment Funds	15	6,691	5,274
Unrestricted income funds – designated	15	1,500	3,344
Unrestricted income funds – general	15	722	434
<b>Total funds</b>		<u>23,120</u>	<u>21,058</u>

Notes 1 to 20 form part of these accounts.

These financial statements of The Foundation and Friends of the Royal Botanic Gardens, Kew (registered number 2499006) were approved by the Board of Trustees and signed on their behalf by:



Marcus Agius  
Chairman

Giles Coode-Adams  
Treasurer

10 July 2014

10 July 2014

## The Foundation and Friends of the Royal Botanic Gardens, Kew

### Cash flow statement Year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	19a	417	(1,902)
Returns on investment	19b	149	249
Capital expenditure and financial investment	19c	(11,169)	(158)
		<hr/>	<hr/>
Cash outflow before management of liquid resources and financing		(11,020)	(1,811)
<b>Financing</b>	19d	<hr/> 1,252	<hr/> 63
<b>Net decrease in cash</b>	19e	<hr/> (9,351)	<hr/> (1,748)

Note 1 – 20 form part of these accounts.

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Notes to the financial statements Year ended 31 March 2014**

### **1. Statement of accounting policies**

The principal accounting policies are summarised below. All have been applied consistently throughout the year and the preceding year.

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, and applicable law and UK accounting standards. The financial statements present information for The Foundation and Friends of the Royal Botanic Gardens Kew ("Kew Foundation" or "the Foundation") only, i.e. as an individual undertaking.

On 30 July 2013, The Foundation and Friends of RBG Kew Trading Ltd, the trading subsidiary of the Foundation, was dissolved. The company was dormant from the start of the financial year until the point at which it was dissolved and is not included in these accounts on the basis of materiality.

#### **Foundation status**

The Foundation is a company limited by guarantee. The members of the Foundation are the Trustees. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

#### **Going concern**

The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future, not less than 12 months from the date of signing. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Reserves**

The Foundation has a reserves policy that seeks to maintain reserves at around six months of operating expenses.

#### **Fund accounting**

General or unrestricted funds are available for use at the discretion of the Trustees in furtherance of the objectives of the Foundation. These are funds that have not been designated for other purposes.

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

Restricted funds are funds which have been raised by the Foundation for particular purposes and are to be used in accordance with specific restrictions imposed by donors. The aim and use of the each material restricted fund is set out in the notes to the financial statements.

Endowment funds are a mix of restricted and unrestricted funds and are expendable. Legacy income with no other restrictions is assumed by Trustees to be intended as endowment unless otherwise stated. The income earned from associated investments may be re-invested or allocated directly to restricted or unrestricted funds as appropriate. The Trustees have agreed a policy of withdrawing up to 3% of the value of the legacy fund from 2013/14 onwards, subject to annual review and at Trustees' discretion.

Investment income, gains and losses are allocated to the appropriate fund.

#### **Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Foundation is legally entitled to the income, is reasonably certain of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the Foundation being formally notified of an amount for an impending distribution (probate) or the legacy itself being received.

No amounts are included in the financial statements for services donated by volunteers, and there are no gifts in kind. Donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by



# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Notes to the financial statements**

### **Year ended 31 March 2014**

#### **Statement of accounting policies (continued)**

the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Members' subscriptions, season tickets and Patrons' membership are accounted for in the period when received and are not refundable if membership is cancelled.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

#### **Resources expended**

Expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Unrestricted grants to RBG Kew are recognised when approved and formally communicated with the recipient. Restricted grants to RBG Kew are recognised and awarded to Kew on approval of a valid claim. Gifts in kind to RBG Kew are recognised when the Foundation donates staff time or other assets.

Fundraising costs are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Foundation. These have been allocated across the various activities of the Foundation based on an estimate of the time spent by support staff.

Governance costs are incurred in connection with the administration and compliance of the Foundation. One of the key elements of this is setting strategic direction with Kew to target fundraising priorities.

#### **Grant making**

The Foundation raises monies for RBG Kew. A request for payment for various projects proposed by RBG Kew is made to the Foundation Trustees. When applications are received, the Foundation gives independent due consideration to granting such funds and, if approved by the Trustees, payment is made. Proper evidence of expenditure is always acquired, to the satisfaction of the Trustees.

#### **Investments**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

#### **Taxation accounting**

As a registered charity, the Foundation is exempt from taxation on its income and gains falling within chapter 3 of part 11 to the Corporation Taxes Act 2010 and s256 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes. No tax charge has arisen in the year ended 31 March 2013 or 31 March 2014.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net surplus/(deficit) for the year.

#### **Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives, usually three years.

#### **Pension costs**

For defined contribution schemes the amount charged to the statement of financial activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between the contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 1. Voluntary income

	Restricted £'000	Endowment £'000	Unrestricted £'000	Total 2014 £'000	Total 2013 £'000
Donations (inc. Gift Aid thereon)	2,306	-	283	2,589	3,267
Legacies	224	1,252	78	1,554	302
Grants	7,197	-	10	7,207	4,257
Individual memberships	-	-	3,301	3,301	3,051
Gift aid claimed from individual memberships	-	-	774	774	694
Corporate memberships	-	-	180	180	100
	<u>9,727</u>	<u>1,252</u>	<u>4,626</u>	<u>15,605</u>	<u>11,671</u>

As at 31 March 2014, the Foundation had been notified of 25 (2013: 26) legacies which were estimated to be worth £6.0M (2013: £1.3M), none of which has been recognised as the amount was not known with certainty at year end. Of these, the Foundation has been notified of 13 (2013: 16) residuary legacies estimated to be worth £0.9M (2013: 1.3M), none of which has been recognised.

### 2. Activities for generating funds

	Restricted £'000	Endowment £'000	Unrestricted £'000	Total 2014 £'000	Total 2013 £'000
Membership events	-	-	1	1	1
Trading income	-	-	97	97	5
Corporate volunteering	-	-	1	1	2
	<u>-</u>	<u>-</u>	<u>99</u>	<u>99</u>	<u>8</u>

### 4. Investment income

	Restricted £'000	Endowment £'000	Unrestricted £'000	Total 2014 £'000	Total 2013 £'000
Bank interest	44	-	4	48	215
Dividends & Other Distributions	8	93	-	101	34
	<u>52</u>	<u>93</u>	<u>4</u>	<u>149</u>	<u>249</u>

The income earned from endowment funds may be re-invested or allocated directly to restricted or unrestricted funds as appropriate.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 5. Costs of generating voluntary income

	Staff costs £'000	Marketing and other direct costs £'000	Allocated support costs £'000	Total 2014 £'000	Total 2013 £'000
Donations	629	481	629	1,739	1,856
Legacies	22	30	14	66	18
Grants	130	3	56	189	206
	<u>781</u>	<u>514</u>	<u>699</u>	<u>1,994</u>	<u>2,080</u>

### 6 Fundraising trading

	Restricted £'000	Endowment £'000	Unrestricted £'000	Total 2014 £'000	Total 2013 £'000
Membership events	-	-	32	32	6
Salaries and wages	-	-	106	106	52
Allocated support costs	-	-	94	94	168
	<u>-</u>	<u>-</u>	<u>232</u>	<u>232</u>	<u>226</u>

### 7 Charitable activities

	Restricted £'000	Endowment £'000	Unrestricted £'000	Total 2014 £'000	Total 2013 £'000
Individual membership and season tickets	-	-	836	836	1,323
Corporate membership	-	-	73	73	57
Grants made (see note 20)	7,331	-	2,849	10,180	8,711
Gifts in Kind	6	-	314	320	-
Allocated support costs	-	-	285	285	153
	<u>7,337</u>	<u>-</u>	<u>4,357</u>	<u>11,694</u>	<u>10,244</u>

All grants were made to RBG Kew. Those with a balance in excess of £50k are shown in note 15.

During 2013/14, one Foundation employee was seconded to RBG Kew and the costs were not recharged. The Foundation also donated two donor walls to RBG Kew. Both of these transactions as well as other costs paid for by the Foundation on behalf of RBG Kew have been expensed as gifts in kind.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements

Year ended 31 March 2014

### 8. Governance costs

By expense type	Direct costs £'000	Support costs £'000	Total 2014 £'000	Total 2013 £'000
Salaries and staff costs	-	87	87	91
Legal and Professional services	37	-	37	35
Other general office costs	-	-	-	4
	<u>37</u>	<u>87</u>	<u>124</u>	<u>130</u>

### 9. Analysis of support costs

Costs incurred	Costs of generating voluntary income £'000	Fundraising trading £'000	Charitable activities £'000	Governance £'000	Total 2014 £'000	Total 2013 £'000
Staff and staff related costs	616	80	250	87	1,033	723
Depreciation	4	-	10	-	14	2
Legal and professional services	15	-	4	-	19	110
Admin and overhead costs	64	14	21	-	99	151
	<u>699</u>	<u>94</u>	<u>285</u>	<u>87</u>	<u>1,165</u>	<u>986</u>

Included in charitable activities is an amount of £22k (2013: £32k) to cover the costs of grant making.

### 10. Net incoming/(outgoing) resources

This is stated after charging:

	Total 2014 £'000	Total 2013 £'000
Depreciation of tangible fixed assets owned by the Foundation:	15	2
Auditor's remuneration		
Fee's payable to the company's auditor for the audit of the Company's annual accounts	25	24
Non-audit fees		
- Tax filing	5	5
- Governance review	-	10

During the year Trustees received no remuneration or benefits in kind (2013: £nil). Reimbursement of Trustee expenses totalled £264 (2013: £nil).

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 11. Tangible fixed assets

	Computer & Office Equipment £'000	Software £'000	Donor Wall £'000	Membership Kiosk £'000	Totals £'000
<b>Cost</b>					
At 1 April 2013	29	55	91	-	175
Disposals	-	-	(91)	-	(91)
Additions	-	21	-	19	40
At 31 March 2014	29	76	-	19	124
<b>Accumulated depreciation</b>					
At 1 April 2013	(29)	(52)	(2)	-	(83)
Disposals	-	-	2	-	2
Charge for the year	-	(9)	-	(6)	(15)
At 31 March 2014	(29)	(61)	-	(6)	(96)
<b>Net book value</b>					
At 31 March 2013	-	3	89	-	92
At 31 March 2014	-	15	-	13	28

### 12. Fixed asset investments

	Investment portfolio £'000	Investment on deposit £'000	Total £'000
At 1 April 2013	5,216	64	5,280
Decrease in cash held on deposit	-	(64)	(64)
Sales	(181)	-	(181)
Purchases	1,281	10,000	11,281
Income re-invested	93	-	93
Realised gains re-invested	113	-	113
Unrealised gains	175	-	175
At 31 March 2014	6,697	10,000	16,697

During the year a number of sales were made within the investment portfolio and were immediately re-invested.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 12. Fixed asset investments (continued)

Investments at market value comprise:

	2014 £'000	2013 £'000
Equity	4,017	3,200
Bonds	1,304	1,294
Private equity	12	-
Property	253	494
Hedge funds	256	128
Liquidity funds	126	61
Cash deposits	10,729	103
Total market value	16,697	5,280
All fixed asset investments are held in the UK.		
Investments at historical cost	15,972	4,779

The Foundation owned 100% of the £100 ordinary share capital of The Foundation and Friends of RBG Kew Trading Limited, dissolved on 30 July 2013. As the company did not trade in this or the previous year, and it is now de-registered, no data is shown in these accounts.

### 13. Debtors

	2014 £'000	2013 £'000
Due from related undertakings	114	11
Other Debtors	605	208
Accrued income	313	557
	1,032	776

### 14. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Payable to related undertakings	2,689	2,097
Trade creditors	120	232
Accruals	103	404
Social security and other taxes	140	123
	3,052	2,856

The amount outstanding in relation to pension contribution at the year-end is £12k (2013: £33k).

## The Foundation and Friends of the Royal Botanic Gardens, Kew

### Notes to the financial statements Year ended 31 March 2014

#### 15. Statement of funds

##### Restricted funds

	Balance 1st April 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance 31st March 2014 £'000	Description
Legacy Seymour (Margaret Mee)	66	-	-	-	66	To provide international travelling fellowships for students, study visits to the UK, and support for field research in Brazil.
Threatened Plants Appeal (TPA)	163	-	(60)	-	103	Financing Kew's work on threatened plants in the UK
Trees & Woodland Kew	275	28	(57)	7	253	Money raised from commemorative trees for expenditure on planting and caring for new trees.
MSB 1 General	1,307	4	(479)	(55)	777	The Millennium Seed Bank Partnership (MSBP) Phase 1 & Phase 2 supports the collection, storage and viability study of seeds collected in the UK and with our partners worldwide.
MSB 2 General	521	3,288	(57)	(72)	3,680	
MSB 2 General - Overseas	265	1	-	-	266	
MSB 2 Arcadia 2	-	243	(35)	-	208	
GSK Sleep Over Trial Program	73	14	(1)	-	86	Received from GlaxoSmithKline to support the current and future sleepover programme at Kew.
Conservation Area Kew	15	50	-	-	65	Funds raised for various conservation projects.
Generic Appeals	100	22	(9)	(10)	103	Monies raised from various appeals for work at RBG Kew.
Conservation (excluding MSB ) non specific	54	1	(54)	-	1	Funds raised for any aspects of conservation, excluding the MSB.
Restricted to Kew for any use	400	300	(418)	70	352	Unrestricted donations for RBG Kew.
Conservation (inc MSB) non specific	146	31	(176)	-	1	Funds raised for any aspects of conservation, including the MSB.
Commemorative Fund Benches Kew	20	130	(29)	-	121	Donations for commemorative benches, funds for use in RBG Kew.
MSB 2 Useful Plants	420	463	(194)	(200)	489	For the sustainable use of plants in six countries
MSB 2 Useful Plants Sfumato	17	-	(114)	200	103	Funds for the useful plants project.
MSB 2 Gnodde South Africa	216	216	(183)	(10)	239	Funds for seed collecting and livelihoods projects in South Africa.
MSB 2 UK Native Seed Hub	590	7	(76)	-	521	To establish and administer the UK native seed hub.

## The Foundation and Friends of the Royal Botanic Gardens, Kew

### Notes to the financial statements Year ended 31 March 2014

	Balance 1st April 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance 31st March 2014 £'000	Description
MSB 2 CITI Foundation Kenya	100	-	(97)	-	3	Capacity building grant to set up an entrepreneur training programme for tree nursery owners in Kenya
Man Grp Restoration Ecology	123	-	(90)	-	33	Monies raised to cover post of Head of Restoration Ecology
GPI 3 Specimen Mellon	95	1	(96)	-	<sup>h</sup> -	For the development of a coordinated digital database of images and information on plants of the world.
GPI 4 Specimen Mellon	393	1	(242)	-	152	
GPI 5 Specimen Mellon	-	413	(25)	-	388	
GPI 3 Correspondence Mellon	69	-	(69)	-	-	For digitisation of material from the Kew Archive.
GPI 4 Correspondence Mellon	162	1	(49)	-	114	
MSB Conservation Training	104	30	(24)	-	110	Training in seed banking techniques.
Fundacao Re flora Etapa 1	11	208	(158)	-	61	Digitisation of Brazilian Herbarium records.
Temperate House Restoration	1,315	1,111	(1,536)	-	890	Monies raised for restoration of the Temperate House.
Temperate House Horticultural Apprentices	160	87	(21)	-	226	Funding for apprentices working on the Temperate House project.
Temperate House Construction Managers	563	2	(69)	-	496	For project director and hiring two construction managers.
Grow Wild	474	1,767	(1,629)	-	612	Funds from the Big Lottery Fund to deliver a national mass participation campaign to inspire individuals, groups & communities to take positive action for conservation.
Apprentices	126	-	(41)	-	85	Funding for the three year course on the HPE Apprentice Scheme.
Freda Howson Award	63	-	(5)	-	58	Funds Diploma students travel.
Curtis Legacy - Endowment	78	-	(70)	-	8	Use for projects and operations in the herbarium and library
Fidelity Plant Labels	54	(52)	(2)	-	-	Remaining funds were returned to The Fidelity UK Foundation as the project was complete in 2013/14.
Stafford Jones Bonsai Tree Maintenance	101	-	(6)	-	95	Funds for the care and maintenance of the bonsai collection.
Latin America Projects Officer	134	-	(61)	-	73	Funding for a Herbarium post to work on Latin American plants.
Peru Sustainable Management	329	1	(149)	-	181	Agroforestry and livelihoods projects in Peru.



## The Foundation and Friends of the Royal Botanic Gardens, Kew

### Notes to the financial statements Year ended 31 March 2014

	Balance 1st April 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Balance 31st March 2014 £'000	Description
Volunteer Program	63	-	-	-	63	To be used to furnish a volunteer rest and resource room on the Kew site.
MSB Africa's Great Green Wall	451	304	(260)	-	495	Funds for reforestation activities in Burkina Faso, Mali and Niger.
MSB Sainsbury Forest Landscape Africa	30	60	(32)	-	58	Reforestation projects in Kenya.
MSB Hargreaves Eastern Afromontane Conservation	-	100	(5)	-	95	Collecting seeds of mountain species in Kenya, Tanzania and Uganda.
MSB UK National Tree Seeds	100	136	(56)	-	180	Funds for collection of UK tree seeds
Joseph Hooker Personal Papers	50	50	(18)	-	82	Conserving, digitising, transcribing and making available online the personal and scientific correspondence of Joseph Hooker, a 19th century naturalist and explorer.
Wolfson MPNS 2A	-	103	-	-	103	Medical Plants Name Services
Legacies holding fund	425	219	-	(52)	592	Temporary fund used whilst use of the legacy is established.
Other funds with balances or movements below £50,000	1,785	439	(882)	178	1,520	
	<b>12,006</b>	<b>9,779</b>	<b>(7,634)</b>	<b>56</b>	<b>14,207</b>	

All of the above funds are available to be granted to RBG Kew upon receipt by the Foundation of the necessary documentation detailing expenditure.

Within restricted funds there are various levels of restriction. Transfers between funds are made as appropriate ensuring that requests of the original donor are met.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 15. Statement of funds (continued)

All funds are available to RBG Kew upon appropriate independent approval by the Foundation.

	Balance 1 April 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains on investments £'000	Transfers £'000	Balance 31 March 2014 £'000
<b>Restricted Income Funds</b>	12,006	9,779	(7,634)	-	56	14,207
<b>Endowment funds</b>						
Legacy Fund	4,401	1,345	(35)	250	(117)	5,844
Smythies Fund	146	-	-	7	-	153
Lennox Boyd Fund	588	-	-	25	(64)	549
EWA Fund	93	-	-	4	-	97
Shawdon Fund	46	-	-	2	-	48
	<u>5,274</u>	<u>1,345</u>	<u>(35)</u>	<u>288</u>	<u>(181)</u>	<u>6,691</u>
<b>Total restricted and endowment funds</b>	<u>17,280</u>	<u>11,124</u>	<u>(7,669)</u>	<u>288</u>	<u>(125)</u>	<u>20,898</u>
<b>Unrestricted designated funds</b>						
Smythies Fund	49	-	-	-	(49)	-
Grant to RBG Kew	2,930	-	(2,930)	-	1,500	1,500
Life Membership Fund	365	-	-	-	(365)	-
	<u>3,344</u>	<u>-</u>	<u>(2,930)</u>	<u>-</u>	<u>1,086</u>	<u>1,500</u>
<b>Unrestricted funds</b>						
General Fund	434	4,729	(3,480)	-	(961)	722
<b>Total unrestricted funds</b>	<u>3,778</u>	<u>4,729</u>	<u>(6,410)</u>	<u>-</u>	<u>125</u>	<u>2,222</u>
<b>Total funds</b>	<u>21,058</u>	<u>15,853</u>	<u>(14,079)</u>	<u>288</u>	<u>-</u>	<u>23,120</u>

### Funds information

During the year, a number of transfers were made between restricted funds, as detailed above.

The transfer from endowment funds represents the Trustees' policy of withdrawing up to 3% of the value of the expendable legacy fund from 2013/14 onwards, subject to annual review and at Trustees' discretion.

Following a review of the restrictions over the Smythies designated fund, it has been transferred to the 'Restricted to Kew for any use' restricted fund.

A transfer of £1.5M was made from the Unrestricted General Fund to the Designated Fund for a proposed grant to RBG Kew in 2014/15.

Life Memberships were withdrawn during 2011/12. During 2013/14 the Board reviewed the designated Life Membership Fund and concluded that existing life memberships did not represent any future incremental cost to the Foundation. The remaining £365k has been transferred to the General Fund.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 16. Analysis of net assets between funds

Fund balances at 31 March are represented by:	Restricted £'000	Endowment £'000	Unrestricted £'000	Total 2014 £'000	Total 2013 £'000
Tangible fixed assets	-	-	28	28	92
Investments	8,380	6,691	1,626	16,697	5,280
Cash at bank	7,052	-	1,363	8,415	17,766
Debtors	313	-	719	1,032	776
Creditors	(1,538)	-	(1,514)	(3,052)	(2,856)
	<u>14,207</u>	<u>6,691</u>	<u>2,222</u>	<u>23,120</u>	<u>21,058</u>

### 17. Salary and staff costs

	2014 £'000	2013 £'000
Gross salaries	1,594	1,604
Employers NIC	168	166
Employers pension contributions	84	74
	<u>1,846</u>	<u>1,844</u>

Included in the accounts are the costs of agency and temporary staff of £410k (2013: £215k).

Employee emoluments for the year fell within the salary reporting bands:

Salary reporting bands	2014	2013
£60-70k	3	3
£100-£110k	1	-

In 2013/14, the Foundation paid £30k to Mr. Richard Deverell, Director of RBG Kew and £6.2k to Dr Katherine Willis, Director of Science, RBG Kew. Both payments are for ambassadorial services on behalf of the Foundation, acting in a capacity of fundraising consultants. The Trustees deem this essential in supporting the fundraising effort of the charity.

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

	2014 No.	2013 No.
Cost of generating funds	26	26
Charitable activities	14	15
Governance	1	1
	<u>41</u>	<u>42</u>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements

Year ended 31 March 2014

### 18. Related party transactions

The Foundation has related party transactions with RBG Kew and also with RBG Kew Enterprises Ltd.

Expenditure includes an amount of £10,642k (2013: £9,307k) and creditors include an amount of £2,689k (2013: £2,097k) relating to RBG Kew and RBG Kew Enterprises Ltd.

Income includes an amount of £103k (2013: £1k) and debtors include an amount of £114k (2013: £11k) relating to RBG Kew and RBG Kew Enterprises Ltd.

### 19. Notes to the cash flow statement

	2014 £'000	2013 £'000
<b>19a. Reconciliation of net incoming/(outgoing) resources to cash flow from operating activities</b>		
Net incoming resources before transfers	1,774	(766)
Bank interest	(48)	(215)
Investment income	(101)	(34)
Endowment funds	(1,252)	(63)
Depreciation	15	2
Fixed asset disposals	89	-
Increase in debtors	(256)	(436)
Increase/(decrease) in creditors	196	(390)
Net cash inflow/(outflow) from operating activities	417	(1,902)
<b>19b. Returns on investments</b>		
Interest received	48	215
Dividends received	101	34
Net cash inflow	149	249
<b>19c. Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(40)	(94)
Purchase of trade investments	(10,000)	-
Net movement on endowment investment funds	(1,129)	(64)
Net cash outflow	(11,169)	(158)
<b>19d. Financing</b>		
Additions to endowment fund	1,252	63

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the financial statements Year ended 31 March 2014

### 19e. Reconciliation of net funds

Decrease in cash in the year	(9,351)	(1,748)
Change in net funds resulting from cash flows	(9,351)	(1,748)
Movement in net funds in year		
Net funds at start of year	17,766	19,514
Net funds at end of year	8,415	17,766

	1 April 2013 £'000	Cash flow £'000	31 March 2014 £'000
19f. Analysis of net funds			
Cash	17,766	(9,351)	8,415

### 20. Grants awarded to RBG Kew

	Restricted £'000	Unrestricted £'000	2014 £'000	2013 £'000
Kew Times Eureka Garden	-	-	-	(12)
RBG Kew 12/13 Support	-	-	-	2,930
RBG Kew 13/14 Support	-	3,430	3,430	-
Havelock Farm Purchase	-	(153)	(153)	900
RBG Kew Bench Scheme	-	(4)	(4)	45
Global Communications Grant	-	(424)	(424)	-
Grants made from restricted funds	7,331	-	7,331	4,848
<b>Grants awarded</b>	<b>7,331</b>	<b>2,849</b>	<b>10,180</b>	<b>8,711</b>

	2014 £'000	2013 £'000
<b>Reconciliation of Unrestricted grants payable</b>		
Commitments as at 31 March 2013	947	1,538
Commitments made in the year	3,430	3,875
Grants Paid during the year	(3,796)	(4,454)
Grants cancelled during the year	(581)	(12)
Commitments as at 31 March 2014	-	947

Grants cancelled during the year relate to residual balances on projects that were no longer required.