

**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 2021**



**The Foundation and Friends of the Royal Botanic Gardens, Kew  
Year ended 31 March 2021**

**Trustees' Report and Financial Statements 2021**

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# **The Foundation and Friends of the Royal Botanic Gardens, Kew** **Year ended 31 March 2021**

## **Reference and administrative details**

Mr Ian Karet (until 17 February 2021)
Mrs Kristina Kenworthy
Mr Jan Pethick – Chairman
Mrs Jane Reeves (from 9 July 2020)
Mr Nick Baird
Mr Charles Sherwood (until 8 July 2020)

Company registered No. 2499006

Charity registered No. 803428

### **Key Management Personnel**

The key management personnel are the Foundation's Trustees.

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

### **Bankers**

Lloyds Bank PLC	CAF (Charities Aid Foundation)
3 <sup>rd</sup> Floor	25 Kings Hill Avenue
10 Gresham Street	Kings Hill
London	West Malling
EC2V 7AE	Kent
	ME19 4TA

### **Legal advisers**

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LA

### **Auditor**

Haysmacintyre LLP
Statutory Auditor
10 Queen Street Place
London
EC4R 1AG

### **Investment managers**

Handelsbanken	Goldman Sachs International
3 Thomas More Square	Plumtree Court
London	25 Shoe Lane
EC1W 1WY	London
	EC4A 4AU
Cazenove Capital Management	
1 London Wall Place	
London	
EC2Y 5AU	

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

## **Year ended 31 March 2021**

### **Trustees' report**

#### **Objectives and activities**

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 Trustees' Report, which includes the Directors' Report and Strategic Report for Companies Act purposes and the audited Financial Statements of the Foundation for the year ended 31 March 2021.

#### **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. The Foundation is a Public Benefit Entity.

#### **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 and activities**

The Foundation fundraises for RBG Kew, focusing on legacy fundraising and the management of investments. It also holds historic funds which are intended to support the work of RBG Kew through the provision of grants. Examples of projects supported in the year and the process for grant making is set out below.

#### **Grant-making**

Total grants made to RBG Kew to support its activities in 2020/21 year were £3.1m (2020: £7.7m), of which £2.4m (2020: £6.8m) was for specific projects from restricted funds and £0.7m (2020: £0.8m) was for projects from unrestricted designated funds. Key projects supported by the Foundation include:

- **Science (£1.9M granted in 2020/21, £5.7M in 2019/20):** RBG Kew's scientific vision is to document and understand global plant and fungal diversity and its uses, bringing authoritative expertise to bear on the critical challenges facing humanity today. Grants from Kew Foundation include funds for multiple projects at the Millennium Seed Bank and key strategic outputs from Kew's Science Strategy including the Plant and Fungal Tree of Life and the Tropical Important Plant Areas (TIPAs).
- **Family Kitchen & Shop (£0.6m granted in 2020/21):** Construction of a new family-focussed restaurant and retail facility at Kew. The new facility will support growth in self-generated income that enables Kew to deliver on its charitable objectives, as well as improving and enhancing the experience of visitors to the Gardens.

#### **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. All grants must be in line with the strategic aims of RBG Kew, conform to the

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

## **Year ended 31 March 2021**

### **Trustees' report**

wishes of the donor where relevant 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.

#### **Fundraising approach and performance**

The Trustees oversee all fundraising activities undertaken by the Foundation. The Foundation has engaged RBG Kew Enterprises Ltd to provide legacy fundraising services and services to support the management of grants held by the Foundation but has not worked with other professional fundraising agents in the year. RBG Kew Enterprises Ltd adheres to the Code of Fundraising Practice issued by the Fundraising Regulator and the Trustees receive progress reports on fundraising at each Board meeting in order to review and oversee aspects of fundraising undertaken on their behalf. No fundraising complaints have been received by the Foundation in 2020-21 regarding its fundraising practices.

### **Achievements and performance**

In 2020/21, in close collaboration with the staff and supporters of RBG Kew, the Foundation raised income of £2.0M (2020: £5.6M) and gave grants totalling £3.1M (2020: £7.7M) to RBG Kew.

Investments income was £0.2M. Investments recorded unrealised gains of £1.5M for the financial year, as markets recovered from the losses seen in early 2020 when uncertainty around the COVID-19 coronavirus pandemic negatively impacted asset values.

### **Structure, governance and management**

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 July 2017).

#### **Trustees and Directors**

The Trustees who held office during and at the end of the year are listed on page 1.

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

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) 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 2020/21, the Foundation Board of Trustees held three meetings.

#### **Organisational structure**

The Foundation has no employees and the trustees are considered the Key Management Personnel. Services and support to manage legacy, grant and investment income are purchased from RBG Kew and RBG Kew Enterprises Ltd.

#### **Pay and remuneration arrangements**

The Trustees are not remunerated for their role.

#### **Related parties**

The Foundation Board has a maximum of six Trustees; up to two Trustees can be recommended for appointment by RBG Kew, and up to four trustees are independent. For most of the 2020/21 financial year, Nick Baird and Ian Karet were Trustees of both RBG Kew and the Foundation, prior to Ian Karet's resignation in February 2021. In addition, there were three independent Trustees.

Following the changes in governance outlined above, it is deemed that the Foundation has an associate relationship with RBG Kew, based on the number of Trustees who are appointed by RBG Kew. As such, in accordance with accounting standards, a share of the Foundation's net assets are consolidated into the accounts of RBG Kew reflecting the proportion of Trustees appointable by RBG Kew, which is 40% as at 31 March 2021 financial year (31 March

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

## **Year ended 31 March 2021**

### **Trustees' report**

2019: 40%). RBG Kew does not have the ability to exercise control over the net assets recognised, which remain subject to decision-making by the Foundation's independent Board of Trustees, and these assets are therefore shown as restricted assets in RBG Kew's financial statements.

The Foundation has related party transactions with RBG Kew and also with RBG Kew Enterprises Ltd (a wholly owned subsidiary of RBG Kew). RBG Kew Enterprises Ltd provides legacy fundraising services and services to support the management of grants and investments to the Foundation. RBG Kew provides back office support services to the Foundation including finance services.

The following Kew Foundation Trustees (Jan Pethick, Ian Karet and Charles Sherwood) were also members of the Foundation Council in the year. The Council promotes and supports RBG Kew's success in fundraising and provides advice on all aspects of RBG Kew's fundraising and membership activities.

Kew Foundation America and The Joseph Banks Society were registered 501(c) (3) not-for-profit corporations in the United States, until their closure in December 2019. Neither organisation had Trustees in common with the Kew Foundation.

The Kew Asia Foundation Limited was incorporated on 4 March 2015 in Hong Kong to support and promote education, scientific research in the science of plants and related subjects through horticulture collaboration between the community of Hong Kong, and RBG Kew by inspiring and delivering science-based plant conservation worldwide. The Kew Asia Foundation Limited does not have Trustees in common with the Kew Foundation.

#### **Systems of internal control**

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

- an annual 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.

Key risks for the Foundation are discussed on page 6.

#### **Going concern**

The Trustees are confident that the Foundation is a going concern. This assessment is based on:

- budgets and forecasts prepared for 2021/22 financial year and beyond, based on forecasts of legacy and investment income
- reserves held which allow the Foundation to meet grant and other expenditure commitments, with healthy unrestricted reserves providing security against any unforeseen operating risks
- cash and liquid investment holdings are sufficient to meet operating cash requirements for the next twelve months

The possible on-going impact of the Covid-19 coronavirus pandemic has been assessed and is not expected to have a significant impact on the Foundation's operations, or on this going concern assessment, given the Foundation's low risk operating model, and its healthy reserves and cash positions.

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

## **Year ended 31 March 2021**

### **Strategic report**

#### **Financial review**

##### **Results for 2020/21**

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

Income received in the year ended 31 March 2021 was £2.0M (2020: £5.6M).

Grants and donations income decreased to £0.1M (2020: £1.4M) which was in line with expectations, reflecting the final receipts of income pledged to the Foundation prior to July 2017 when most fundraising activity was integrated into RBG Kew. Legacy income decreased to £1.7M (2020: £3.8M, which included £2.5m from two individual high-value legacies), and was below expectations, with some adverse impact from COVID-19 noted, including delays to estate administration. The Foundation's pipeline of legacy notifications is, however, relatively strong, supporting expectations for legacy income in future years.

Net surplus for the year amounted to £0.2M (2020: £3.1M net deficit) after RBG Kew grants of £3.1M (2020: £7.7M).

At 31 March 2021, the Foundation's total funds amounted to £23.9M (2020: £23.7M); consisting of £4.8M (2020: £4.0M) in endowments, £5.0M (2020: £6.8M) in donor restricted funds, £3.5M (2020: £4.5M) in general unrestricted funds, and £10.6M (2020: £8.3M) in unrestricted funds designated to projects. The current fund balances meet the Foundation's Reserves Policy.

##### **Reserves Policy**

The Foundation's policy is to hold at least £0.3M of reserves. This is the anticipated annual expenditure budget of the Foundation going forward. Given that legacy income is variable, reserves will be held at a level to ensure all costs can be covered even if no legacies are received in any one year.

Unrestricted reserves are currently £3.2M in excess of £0.3M. This balance will be reviewed during 2021/22 to determine if funds should be granted to RBG Kew.

##### **Investment Policy and Statement of Investment Principles**

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 Board, reviewed annually.

The Trustees have delegated the investment management role over its investment portfolios to:

- Cazenove Capital for the Sainsbury Orchid Fund endowment;
- Handelsbanken Investment Managers for other endowment funds and unspent legacy funds;
- Goldman Sachs International for cash management.

Funds invested by Cazenove Capital have an investment objective to maintain the real value of capital while generating a sustainable level of income to support the Research Fellowships at Kew. The portfolio is invested primarily in the Charity Multi-Asset Fund, with some lower risk holdings of bonds and cash investments. The target return is CPI plus 3% per annum, net of fees, over the long term.

For the funds managed by Handelsbanken, 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 Handelsbanken is to achieve positive real returns of CPI plus 3% over the long term, while maintaining a medium tolerance to risk.

Funds invested by Goldman Sachs International are all held in the Sterling Money Market Fund. The Trustees have decided not to reinvest holdings in non-cash holdings at the present time, to preserve liquidity.

The Trustees review annually the performance and service of fund/investment managers, investment principles and guidelines for product investment. In late 2020/21 the Trustees decided to transfer the Cazenove investments and most of the Handelsbanken portfolio to "sustainable funds". The sustainable funds reduce the Foundation's investment in industries such as tobacco, defence and alcohol, and increase investment in areas with more positive

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

## **Year ended 31 March 2021**

### **Strategic report**

environmental, social and governance impacts, including renewable energy and carbon efficiency. The transfers have been actioned in early 2021/22.

#### **Ethics policy**

The Trustees do not wish to impose any specific ethical investment policy, but the assets should be invested in line with the charity's aims and conform to the Donor Engagement Policy.

#### **Investment performance**

The Trustees meet each investment advisor annually and the commentary below reflects their reporting on performance.

The 2020/21 financial year saw recovery in portfolio values following the significant volatility and decline in the final months of the 2019/20 year when markets negatively reacted to the Covid-19 coronavirus pandemic and oil price shocks. The total investment gains for the Foundation's investment portfolios in the year were £1.5M.

The Handelsbanken portfolios returned total annual gains of between 13% and 25% in the financial year (2020: losses between -4% and -8%), while funds invested with Cazenove returned a gain in value of 20% (2020: loss 6%).

#### **Fundraising**

The Trustees thank the following for their generous support of our vital work:

Individuals and Trusts: Kirby Laing Foundation, Steven Lansdown CBE and Maggie Lansdown

Legacies: Mr John Balson, Ms Jennifer Barrie-Murray, Mrs Frances Bremner, Miss and Mr Jean and Arthur Davenport, Dr Mary Foxworthy, Ms Mary Hill, Mr Andrew Jobbings, Mr Anthony Johnston, Mrs Caroline Kenward, Ms Margaret Kerr, Miss Maureen McKelvey, Mr John Pallett, Mrs Dilys Pinion, Ms Barbara Purvis, Mrs Paula Rogers, Mrs Jean Rose, Miss Ann Sayer, Mrs Imogen Smallwood, Mr Jeremy Stanley-Smith.

And all other supporters, including those who have chosen to remain anonymous.

#### **Risk management**

The Foundation has a robust risk management framework which is updated, presented to and reviewed by Trustees once a year. Each risk has an assigned risk owner who will coordinate actions to mitigate the risk and record progress made and actions completed. The current most significant risks for the Foundation are detailed below:

- Reputational risk from engagement with third parties whose activities could negatively impact the Foundation's reputation. To mitigate this risk, Donor and Third Party Engagement policies are in place, which includes assessment of potential risks from engagements.
- Failure to process personal data in compliance with relevant legislation. To mitigate this risk, a data framework is in place that ensures any donor data held is in compliance with data protection requirements.
- Risk to the Foundation's financial sustainability from reduced income. Annual budgets are prepared and performance monitored through the year, with any risks highlighted to the Trustees. The Foundation holds reserves at a level to meet its operating commitments and any future grant commitments.

#### **Plans for future periods**

The Foundation's focus is on developing and growing the legacy programme and stewarding donors to ensure income due from existing donor pledges is delivered. The Foundation will also continue to manage its investment portfolio.

The Foundation will continue to pay grants to RBG Kew from unrestricted funds and historic restricted funds.



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

### **Year ended 31 March 2021**

#### **Trustees' responsibilities statement**

The Trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

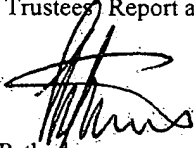
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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



Jan Pethick  
Chairman

7 July 2021

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

### **Opinion**

We have audited the financial statements of The Foundation and Friends of the Royal Botanic Gardens, Kew for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Summary Income and Expenditure Account, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 and of the charitable company's net movement in funds, including the 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.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The trustees are responsible for other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the Members and Trustees of The Foundation and Friends of the Royal Botanic Gardens, Kew (cont.)**

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 8, 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, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **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.

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

Based on our understanding of the company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the charitable company, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as the taxation environment.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

## **Independent auditor's report to the Members and Trustees of The Foundation and Friends of the Royal Botanic Gardens, Kew (cont.)**

- Challenging assumptions and judgments made by management in their significant accounting estimates.

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP,

Date: 08 July 2021

10 Queen Street Place  
Statutory Auditor  
London  
EC4R 1AG

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

**Statement of Financial Activities  
Year ended 31 March 2021**

	Notes	2020/21			Total funds £'000
		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	
<b>Income and endowments from:</b>					
Donations, grants and legacies	2	1,444	359	-	1,803
Investments	3	77	16	113	206
<b>Total income</b>		<b>1,521</b>	<b>375</b>	<b>113</b>	<b>2,009</b>
<b>Expenditure on:</b>					
Raising funds	4	(246)	-	(16)	(262)
Charitable activities	4	(735)	(2,356)	-	(3,091)
<b>Total expenditure</b>		<b>(981)</b>	<b>(2,356)</b>	<b>(16)</b>	<b>(3,353)</b>
Net gains on investments	7	705	-	804	1,509
<b>Net (expenditure)/income for the year</b>		<b>1,245</b>	<b>(1,981)</b>	<b>901</b>	<b>165</b>
Transfers between funds	10	-	122	(122)	-
<b>Net movement in funds</b>		<b>1,245</b>	<b>(1,859)</b>	<b>779</b>	<b>165</b>
<b>Funds brought forward</b>	10	<b>12,880</b>	<b>6,821</b>	<b>3,998</b>	<b>23,699</b>
<b>Funds carried forward</b>	10	<b>14,125</b>	<b>4,962</b>	<b>4,777</b>	<b>23,864</b>

All gains and losses recognised for the year are included above. All restricted funds received and expended relate to income funds. Notes 1 to 15 form part of these accounts.

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

**Statement of Financial Activities  
Year ended 31 March 2021**

	Notes	2019/20			Total funds £'000
		Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	
<b>Income and endowments from:</b>					
Donations, grants and legacies	2	3,478	1,774	-	5,252
Investments	3	147	63	113	323
<b>Total income</b>		<b>3,625</b>	<b>1,837</b>	<b>113</b>	<b>5,575</b>
<b>Expenditure on:</b>					
Raising funds	4	(243)	-	(16)	(259)
Charitable activities	4	(847)	(6,844)	-	(7,691)
<b>Total expenditure</b>		<b>(1,090)</b>	<b>(6,844)</b>	<b>(16)</b>	<b>(7,950)</b>
Net gains/(losses) on investments	7	(393)	-	(372)	(765)
<b>Net (expenditure)/income for the year</b>		<b>2,142</b>	<b>(5,007)</b>	<b>(275)</b>	<b>(3,140)</b>
Transfers between funds	10	-	126	(126)	-
<b>Net movement in funds</b>		<b>2,142</b>	<b>(4,881)</b>	<b>(401)</b>	<b>(3,140)</b>
<b>Funds brought forward</b>	10	<b>10,738</b>	<b>11,702</b>	<b>4,399</b>	<b>26,839</b>
<b>Funds carried forward</b>	10	<b>12,880</b>	<b>6,821</b>	<b>3,998</b>	<b>23,699</b>

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

### **Summary income and expenditure account Year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Income</b>		
Donations and legacies	1,803	5,252
Interest and investment income	93	210
Gains/(losses) on investments	705	(393)
<b>Gross income in the reporting period</b>	<b>2,601</b>	<b>5,069</b>
<b>Total expenditure in the reporting period</b>	<b>(3,337)</b>	<b>(7,934)</b>
<b>Net expenditure for the reporting period</b>	<b>(736)</b>	<b>(2,865)</b>

As required the Companies Act 2006, this statement presents the movements on income and expenditure excluding endowment funds.

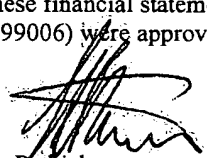
# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Balance Sheet as at 31 March 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	7	21,651	20,092
<b>Total fixed assets</b>		<u>21,651</u>	<u>20,092</u>
<b>Current assets</b>			
Debtors	8	1,265	1,574
Cash at bank and in hand		2,896	4,845
<b>Total current assets</b>		<u>4,161</u>	<u>6,419</u>
<b>Creditors: amounts falling due within one year</b>	9	(1,948)	(2,812)
<b>Net current assets</b>		<u>2,213</u>	<u>3,607</u>
<b>Total assets less current liabilities</b>		<u>23,864</u>	<u>23,699</u>
<b>NET ASSETS</b>		<u>23,864</u>	<u>23,699</u>
<b>The funds of the charity:</b>			
Restricted income funds	10	4,962	6,821
Permanent endowment funds	10	2,630	2,263
Expendable endowment funds	10	2,147	1,735
Unrestricted funds – designated	10	10,601	8,333
Unrestricted funds – general	10	3,524	4,547
<b>TOTAL FUNDS</b>		<u>23,864</u>	<u>23,699</u>

Notes 1 to 15 form part of these accounts.

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

  
Jan Pethick  
Chairman

7 July 2021



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

## **Statement of cash flows Year ended 31 March 2021**

	<b>Note</b>	<b>2020/21</b>	<b>2019/20</b>
		<b>£'000</b>	<b>£'000</b>
<b>Net cash flows from operating activities</b>	<b>14</b>	<b>(2,105)</b>	<b>674</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		206	316
Proceeds from the sale of investments		172	3,985
Purchase of investments		(222)	(3,956)
<b>Net cash flows from investing activities</b>		<b>156</b>	<b>1,019</b>
<b>Change in cash in the reporting period</b>		<b>(1,949)</b>	<b>1,019</b>
<b>Cash at the beginning of the reporting period</b>		<b>4,845</b>	<b>3,826</b>
<b>Cash at the end of the reporting period</b>		<b>2,896</b>	<b>4,845</b>

Notes 1 – 15 form part of these accounts.

All cash and cash equivalents are included in cash at bank and in hand.

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

## **Notes to the accounts**

### **Year ended 31 March 2021**

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

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

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2019): 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 and the Charities Act 2011. The financial statements present information for The Foundation and Friends of the Royal Botanic Gardens Kew ("Kew Foundation" or "the Foundation").

##### **Foundation status**

The Foundation is a private company limited by guarantee, incorporated in England and Wales and is a charity registered in England and Wales. It is a Public Benefit Entity. 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**

Having reviewed cash flow forecasts and budgets for 2021/22 and beyond, 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 Trustees' Report and Financial Statements.

##### **Reserves**

The Foundation has a Reserves Policy that seeks to maintain unrestricted reserves (excluding the designated property reserve) at around one year of future operating expenditure (£0.3M). Unrestricted reserves are currently £3.2M in excess of £0.3M. This balance will be reviewed during 2021/22 to determine when funds can be granted to RBG Kew.

##### **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 are 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 each material restricted fund are set out in the notes to the financial statements.

Endowment funds are a mix of restricted and unrestricted funds and may be expendable or permanent. Permanent endowment funds are held by the Foundation as a corporate trustee and do not form part of the corporate property of the charitable company.

During 2014/15 the Sainsbury Orchid Trust Fund (£2.4M) was transferred to the Foundation from the Bentham-Moxon Trust. Using this permanent endowment, the Foundation will provide grants to RBG Kew connected with the advancement of education and learning by the promotion of study and enhancement of the orchid collection and orchid work. The Trust deed confers an oversight role on two other sets of Trustees; Robert and Lisa Sainsbury Art Trust Ltd Trustees (previously known as the Art Trustees), the Gatsby Charitable Foundation Trustees (previously known as the Gatsby Trustees).

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

##### **Income**

All income including grants are included in the Statement of Financial Activities (SOFA) when the Foundation is legally entitled to the income, receipt is probable, and the amount can be measured with sufficient reliability. For

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

## **Notes to the accounts**

### **Year ended 31 March 2021**

pecuniary legacies, this is upon notification (probate). Residuary legacies are recognised when probate is granted and there is sufficient information to value them (usually receipt of estate accounts). Where legacies include the transfer of property, this is included at valuation.

No amounts are included in the financial statements for services donated by volunteers. Gifts in kind are included at fair value. Donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by a third party.

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.

#### **Expenditure**

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.

Governance costs are incurred in connection with the administration and compliance of the Foundation. Governance and support costs are allocated across the various activities of the Foundation based on an estimate of the time spent by staff.

#### **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, considering the strategy and wishes of the donor and, if approved by the Trustees, payment is made. Proper evidence of expenditure is always required, 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. Investment movements as disclosed in the Statement of Cash Flows reflect additions to and withdrawals from the investment portfolio.

#### **Taxation accounting**

The Foundation is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. No tax charge has arisen in the year ended 31 March 2020 or 31 March 2021.

#### **Financial instruments**

Investments are accounted for at fair value through profit and loss in accordance with the requirements of FRS 102 sections 11 and 12. Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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

## Notes to the accounts

Year ended 31 March 2021

### Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any other critical judgements or sources of estimation uncertainty requiring disclosure.

### 2. Income and endowments from donations, grants and legacies

	2020/21			Total
	Unrestricted £'000	Restricted £'000	Endowment £'000	£'000
Grants and donations	1	104	-	105
Legacies	1,443	255	-	1,698
	<u>1,444</u>	<u>359</u>	<u>-</u>	<u>1,803</u>

	2019/20			Total
	Unrestricted £'000	Restricted £'000	Endowment £'000	£'000
Grants and donations	2	1,438	-	1,440
Legacies	3,476	336	-	3,812
	<u>3,478</u>	<u>1,774</u>	<u>-</u>	<u>5,252</u>

As at 31 March 2021, the Foundation had been notified of 49 (2020: 43) legacies, estimated to be worth £2.37M (2020: £1.17M), £0.06M (2020: £0.26M) of which has been recognised as receipt is probable and the amount can be measured with sufficient reliability. Of these, the Foundation has been notified of 39 (2020: 28) residuary legacies estimated to be worth £2.33M (2020: £1.13M) and of which £0.06M (2020: £0.24M) has been recognised.

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

## **Notes to the accounts**

**Year ended 31 March 2021**

### **3. Income from investments**

	<b>2020/21</b>			
	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowment £'000</b>	<b>Total £'000</b>
Bank interest	1	-	-	1
Dividends & other distributions	76	16	113	205
	<u>77</u>	<u>16</u>	<u>113</u>	<u>206</u>
	<b>2019/20</b>			
	<b>Unrestricted £'000</b>	<b>Restricted £'000</b>	<b>Endowment £'000</b>	<b>Total £'000</b>
Bank interest	7	-	-	7
Dividends & other distributions	140	63	113	316
	<u>147</u>	<u>63</u>	<u>113</u>	<u>323</u>

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

## Notes to the accounts Year ended 31 March 2021

### 4. Expenditure

	2020/21			
	Marketing and other direct costs £'000	Grant funding of activities £'000s	Support and governance costs £'000	Total £'000
Raising funds – donations and legacies	161	-	74	235
Raising funds – investment income	27	-	-	27
Charitable activities				
- Science	-	1,856	-	1,856
- Horticulture and Learning	-	583	-	583
- Other support to RBG Kew	-	652	-	652
Total Charitable activities	-	3,091	-	3,091
Support costs	74	-	(74)	-
Total	262	3,091	-	3,353

	2019/20			
	Marketing and other direct costs £'000	Grant funding of activities £'000s	Support and governance costs £'000	Total £'000
Raising funds – donations and legacies	150	-	91	241
Raising funds – investment income	18	-	-	18
Charitable activities				
- Science	-	5,682	-	5,682
- Horticulture and Learning	-	1,033	-	1,033
- Other support to RBG Kew	-	976	-	976
Total Charitable activities	-	7,691	-	7,691
Support costs	91	-	(91)	-
Total	259	7,691	-	7,950

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

## Notes to the accounts Year ended 31 March 2021

### 5. Support and governance costs

	2020/21 Total £'000
<b>Costs incurred</b>	
Governance	18
Office administration and other support	56
	<hr/>
	74
	<hr/>

	2019/20 Total £'000
<b>Costs incurred</b>	
Governance	17
Office administration and other support	74
	<hr/>
	91
	<hr/>

### 6. Net (expenditure)/income

This is stated after charging:

	Total 2020/21 £'000	Total 2019/20 £'000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the Foundation's annual accounts	18	17
Non-audit fees:		
- Tax filing	-	2
	<hr/>	<hr/>

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

## Notes to the accounts

Year ended 31 March 2021

### 7. Fixed asset investments

	Endowment Investments £'000	Other Investments £'000	Total £'000
At 1 April 2020	3,998	16,094	20,092
Sales proceeds	(171)	(1)	(172)
Purchases	124	-	124
Income re-invested	22	76	98
Realised gains	6	-	6
Unrealised gains	798	705	1,503
At 31 March 2021	<u>4,777</u>	<u>16,874</u>	<u>21,651</u>

	Endowment Investments £'000	Other Investments £'000	Total £'000
At 1 April 2019	4,399	16,487	20,886
Sales proceeds	(700)	(3,285)	(3,985)
Purchases	648	3,101	3,749
Income re-invested	23	184	207
Realised gains/losses	33	-	33
Unrealised losses	(405)	(393)	(798)
At 31 March 2020	<u>3,998</u>	<u>16,094</u>	<u>20,092</u>

	2021 £'000	2020 £'000
Investment at fair value comprise:		
Commodities	333	343
Equity	3,855	2,805
Bonds	2,759	2,491
Property funds	390	638
Hedge funds	930	676
Liquidity funds (including cash and cash equivalents)	10,754	10,876
Charity Multi Asset Funds	2,630	2,263
At 31 March	<u>21,651</u>	<u>20,092</u>
All fixed asset investments are held in the UK.		
Investments at historical cost	<u>16,602</u>	<u>16,774</u>



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

## **Notes to the accounts**

**Year ended 31 March 2021**

### **8. Debtors: amounts due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Accrued income	1,265	1,574
	<u>1,265</u>	<u>1,574</u>

### **9. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Payable to related undertakings	1,929	2,794
Accruals	19	18
	<u>1,948</u>	<u>2,812</u>

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

## Notes to the accounts Year ended 31 March 2021

### 10. Statement of funds

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Recognised gains/(losses) £'000	Transfers £'000	Balance 31 March 2021 £'000
<b>Restricted Income Funds</b>	6,821	375	(2,356)	-	122	4,962
<b>Endowment funds</b>						
Sainsbury Orchid Fund	2,263	92	(6)	367	(86)	2,630
<b>Expendable endowments</b>						
Smythies Fund	157	-	-	40	-	197
Lennox Boyd Fund	567	-	-	144	-	711
Shawdon Fund	50	-	-	13	-	63
Bewsey Fund	961	21	(10)	240	(36)	1,176
<b>Total endowment funds</b>	<u>3,998</u>	<u>113</u>	<u>(16)</u>	<u>804</u>	<u>(122)</u>	<u>4,777</u>
<b>Total restricted and endowment funds</b>	<u>10,819</u>	<u>488</u>	<u>(2,372)</u>	<u>804</u>	<u>-</u>	<u>9,739</u>
<b>Unrestricted designated funds</b>						
Property Fund	1,300	-	-	-	(500)	800
Family Kitchen & Shop	2,994	-	(561)	-	-	2,433
Director of Science Research	1,459	-	(83)	-	-	1,376
Enhancing Visitor Experience	-	-	(83)	-	2,700	2,617
Other	2,580	-	(8)	-	803	3,375
	<u>8,333</u>	<u>-</u>	<u>(735)</u>	<u>-</u>	<u>3,003</u>	<u>10,601</u>
<b>Unrestricted funds</b>						
General Fund	4,547	1,521	(246)	705	(3,003)	3,524
<b>Total unrestricted funds</b>	<u>12,880</u>	<u>1,521</u>	<u>(981)</u>	<u>705</u>	<u>-</u>	<u>14,125</u>
<b>Total funds</b>	<u>23,699</u>	<u>2,009</u>	<u>(3,353)</u>	<u>1,509</u>	<u>-</u>	<u>23,864</u>

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

## Notes to the accounts

Year ended 31 March 2021

	Balance 1 April 2019 £'000	Income £'000	Expenditure £'000	Recognised gains/(losses) £'000	Transfers £'000	Balance 31 March 2020 £'000
<b>Restricted Income Funds</b>	11,702	1,837	(6,844)	-	126	6,821
<b>Endowment funds</b>						
Sainsbury Orchid Fund	2,485	74	(6)	(196)	(94)	2,263
<b>Expendable endowments</b>						
Smythies Fund	173	-	-	(16)	-	157
Lennox Boyd Fund	622	-	-	(55)	-	567
Shawdon Fund	55	-	-	(5)	-	50
Bewsey Fund	1,064	39	(10)	(100)	(32)	961
<b>Total endowment funds</b>	<u>4,399</u>	<u>113</u>	<u>(16)</u>	<u>(372)</u>	<u>(126)</u>	<u>3,998</u>
<b>Total restricted and endowment funds</b>	<u>16,101</u>	<u>1,950</u>	<u>(6,860)</u>	<u>(372)</u>	<u>-</u>	<u>10,819</u>
<b>Unrestricted designated funds</b>						
Property Fund	1,300	-	-	-	-	1,300
Family Kitchen & Shop	-	-	(6)	-	3,000	2,994
Director of Science Research	-	-	(41)	-	1,500	1,459
Other	-	-	-	-	2,580	2,580
	<u>1,300</u>	<u>-</u>	<u>(47)</u>	<u>-</u>	<u>7,080</u>	<u>8,333</u>
<b>Unrestricted funds</b>						
General Fund	9,438	3,625	(1,043)	(393)	(7,080)	4,547
<b>Total unrestricted funds</b>	<u>10,738</u>	<u>3,625</u>	<u>(1,090)</u>	<u>(393)</u>	<u>-</u>	<u>12,880</u>
<b>Total funds</b>	<u>26,839</u>	<u>5,575</u>	<u>(7,950)</u>	<u>(765)</u>	<u>-</u>	<u>23,699</u>

See Note 15 for details of general support to RBG Kew.

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

## **Notes to the accounts**

**Year ended 31 March 2021**

### **10. Statement of funds (continued)**

#### **Funds information**

Restrictions on the endowment funds are as follows:

- The **Sainsbury Orchid Fund** is used to provide grants to RBG Kew connected with the advancement of education and learning by the promotion of study and enhancement of the orchid collection and orchid work. The Trust deed confers an oversight role on two other sets of Trustees: Robert and Lisa Sainsbury Art Trust Ltd Trustees (previously known as the Art Trustees) and the Gatsby Charitable Foundation Trustees (previously known as the Gatsby Trustees). The transfer from this fund represents realised income which is transferred to the related restricted fund on a quarterly basis.
- The **Smythies Fund** is an unrestricted expendable endowment. Part of the fund should be used to support botanical illustration. The interest is used for budget relief.
- The **Lennox Boyd Fund** is used by Kew to provide education for overseas students through the Lennox Boyd Programme. In particular, emphasis is placed on promoting exchanges of people between British institutions and their counterparts in Commonwealth countries.
- The **Shawdon Fund** is used to support Kew's annual winter lecture series with an emphasis, but not exclusively on any aspects of the uses of plants for medicine.
- The **Bewsey Fund** was received by the Foundation in 2015/16. It is an expendable endowment restricted to conservation and research. The transfer from this fund represents a 3% annual drawdown to fund Science related projects.

Designations of unrestricted funds are as follows:

- The Property fund represented funds designated in 2016/17 for RBG Kew's capital projects, which at the time included renovation of the Temperate House. The residual balance is held for Kew's use on other improvement work around the estate. In 2020/21, £0.5m was designated to support Palm House renovation and Science Quarter projects.
- Family Kitchen & Shop - £3m was transferred to designated funds in 2019/20 to support RBG Kew's construction of a new catering and retail facility which will generate increased revenue to fund Kew's charitable activities.
- Director of Science research - £1.5m was transferred to designated funds in 2019/20 to support the Kew Director of Science's research programme in furtherance of Kew's objectives.
- Enhancing Visitor Experience - £2.7m was transferred to support this infrastructure project which is designed to further Kew's objectives by growing revenue and enhancing the engagement of Kew's visitors, members and other supporters.
- Other designated funds of £3.4m represent allocations to other, smaller activities and projects, and unrestricted legacy income recognised which the Trustees wish to designate for future use in line with the donors' non-binding wishes. This will be subject to proposals for use to be submitted by RBG Kew.

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

## Notes to the accounts

Year ended 31 March 2021

	Balance 1 April 2020 £'000	Income £'000	Expend- iture £'000	Transfers between funds £'000	Balance 31 March 2021 £'000
<b><u>Restricted Funds</u></b>					
<b>Science</b>					
Seed conservation – supporting the collection, storage and viability of seeds, particularly at RBG Kew's Millennium Seed Bank	1,164	279	(285)	-	1,158
Tropical Important Plant Areas (TIPAs) – supporting identification and conservation of TIPAs	504	79	(193)	-	390
Plant and Fungal Tree of Life (PAFTOL)	855		(469)	-	386
State of the World's Plants	563		(360)	-	203
Orchid Fellow	206		(85)	86	207
Other scientific research and associated activity	1,216	6	(347)	7	882
<b>Horticulture and botanic gardens</b>					
Evolution Garden	27		(1)	-	26
Children's Garden	194		(79)	-	115
Broadwalk Borders	54		(54)	-	-
Wakehurst Place	742		(307)	-	435
Other horticultural activity	564	1	(102)	25	488
<b>Education and outreach</b>					
Grow Wild	55		-	-	55
Other education and outreach activity	102		(39)	-	63
<b>Other</b>					
Library, Art and Archives – supporting acquisition and access to RBG Kew's Library collections	96		(34)	-	62
Other activity in support of RBG Kew	479	10	(1)	4	492
<b>Grand Total</b>	<b>6,821</b>	<b>375</b>	<b>(2,356)</b>	<b>122</b>	<b>4,962</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 and reflect allocation to specific activity as confirmed with the donor.

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

## Notes to the accounts

Year ended 31 March 2021

	Balance 1 April 2019 £'000	Income £'000	Expend- iture £'000	Transfers between funds £'000	Balance 31 March 2020 £'000
<b><u>Restricted Funds</u></b>					
<b>Science</b>					
Seed conservation – supporting the collection, storage and viability of seeds, particularly at RBG Kew's Millennium Seed Bank	5,220	69	(4,125)	-	1,164
Tropical Important Plant Areas (TIPAs) – supporting identification and conservation of TIPAs	545	102	(293)	150	504
Plant and Fungal Tree of Life (PAFTOL)	1,062	406	(613)	-	855
State of the World's Plants	324	349	(110)	-	563
Orchid Fellow	166	1	(55)	94	206
Other scientific research and associated activity	1,012	149	(579)	634	1,216
<b>Horticulture and botanic gardens</b>					
Evolution Garden	386	1	(360)	-	27
Children's Garden	-	401	(207)	-	194
Broadwalk Borders	126	-	(72)	-	54
Wakehurst Place	836	4	(98)	-	742
Other horticultural activity	717	4	(157)	-	564
<b>Education and outreach</b>					
Grow Wild	55	-	-	-	55
Other education and outreach activity	223	1	(122)	-	102
<b>Other</b>					
Library, Art and Archives – supporting acquisition and access to RBG Kew's Library collections	139	1	(52)	8	96
Other activity in support of RBG Kew	891	349	(1)	(760)	479
<b>Grand Total</b>	<b>11,702</b>	<b>1,837</b>	<b>(6,844)</b>	<b>126</b>	<b>6,821</b>

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

## Notes to the accounts Year ended 31 March 2021

### 11. Analysis of net assets between funds

Fund balances at 31 March are represented by:

	2021			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Long-term investments	12,488	4,386	4,777	21,651
Cash at bank	1,856	1,040	-	2,896
Debtors	43	1,222	-	1,265
Creditors	(262)	(1,686)	-	(1,948)
	<u>14,125</u>	<u>4,962</u>	<u>4,777</u>	<u>23,864</u>

	2020			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Long-term investments	10,745	5,349	3,998	20,092
Cash at bank	3,168	1,677	-	4,845
Debtors	238	1,336	-	1,574
Creditors	(1,271)	(1,541)	-	(2,812)
	<u>12,880</u>	<u>6,821</u>	<u>3,998</u>	<u>23,699</u>

### 12. Salary and staff costs

No staff are employed by the Foundation. The total remuneration (including pension contributions) of the key management personnel for the year was £nil (2020: £nil).

During the year Trustees received no remuneration or benefits in kind (2020: £nil). No Trustees were reimbursed expenses for travel, subsistence or donor meetings (2020: £nil).

### 13. Related party transactions

No donations were received from the Trustees in the year (2020: £nil). There were no other related party transactions with trustees in either year.

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

Expenditure includes an amount of £3,117k (2020 £4,922k) and creditors include an amount of £1,929k (2020: £2,794k) relating to RBG Kew and RBG Kew Enterprises Ltd.

Income includes an amount of £nil (2020: £nil) and debtors include an amount of £nil (2020: £nil) relating to RBG Kew and RBG Kew Enterprises Ltd.

In 2020/21 Kew Foundation received grants of £nil (2020: £nil) from The Kew Asia Foundation Limited.

No other related party transactions are noted.

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

## Notes to the accounts Year ended 31 March 2021

### 14. Reconciliation of net income to net cash flow from operating activities

	2020/21	2019/20
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	165	(3,140)
<b>Adjustments for:</b>		
(Gains) / losses on investments	(1,509)	765
Dividends and interest from investments	(206)	(316)
<b>Operating cash flow before movement in working capital</b>	<b>(1,550)</b>	<b>(2,691)</b>
Decrease in debtors	309	3,202
Increase / (decrease) in creditors	(864)	163
<b>Net cash provided by operating activities</b>	<b>(2,105)</b>	<b>674</b>

### 15. Grants awarded to RBG Kew

	Unrestricted £'000	Restricted £'000	2021 £'000
RBG Kew 2020/21 Support	-	-	-
Specific purpose grants	735	2,356	3,091
<b>Grants awarded</b>	<b>735</b>	<b>2,356</b>	<b>3,091</b>

	Unrestricted £'000	Restricted £'000	2020 £'000
RBG Kew 2019/20 Support	847	-	847
Specific purpose grants	-	6,844	6,844
<b>Grants awarded</b>	<b>847</b>	<b>6,844</b>	<b>7,691</b>

	2021 £'000	2020 £'000
<b>Reconciliation of unrestricted grants payable</b>		
Commitments as at 1 <sup>st</sup> April	846	-
Commitments made in the year	735	847
Grants paid during the year	(1,555)	(1)
<b>Commitments as at 31<sup>st</sup> March</b>	<b>26</b>	<b>846</b>