

Company registration number: 2909098
Charity registration number: 1036354

THE NATIONAL BOTANIC GARDEN OF WALES
(A company limited by guarantee
and not having any share capital)

REPORT OF THE TRUSTEES, STRATEGIC REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Azets Audit Services Limited
Chartered Accountants & Statutory Auditors
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THE NATIONAL BOTANIC GARDEN OF WALES

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**THE NATIONAL BOTANIC GARDEN OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees are pleased to present their annual directors' report, which incorporates the strategic report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Unless stated otherwise, all matters reported upon relate to the group and all references to 'trustees' in this report are to the trustees of the parent charity.

OBJECTIVES AND ACTIVITIES

The purposes of the charity as set out in its governing document are, to promote for the public benefit:

- (i). The advancement of education in the science of plants and related subjects and the conservation of plant species of the world especially those of Wales, Great Britain and Western European Seaboard, in particular but not exclusively by:
 - (a) The establishment, development and maintenance of a national botanic garden for Wales open to the public;
 - (b) The establishment of a national conservation asset of local, national and international plant species;
 - (c) The development of a Centre for research in plant biodiversity and the creation of an exemplar of good horticultural practice;
 - (d) The provision of formal and informal education and interpretation experiences for people of all ages and abilities particularly to enhance understanding of the interaction of people, plants, landscape and the environment in a sustainable future;

AND

- (ii). The advancement of public appreciation of Welsh culture and historical heritage by the restoration of the historic landscaped environment and building at the site of the national botanic garden.

The Garden's vision is:

Conservation, Education, Inspiration - playing for Wales on the world stage.

The Garden's mission is:

The Garden is dedicated to the research and conservation of biodiversity, to sustainability, lifelong learning and the enjoyment of the visitor.

The main activities undertaken to achieve the purposes above are:

1. operate a botanic garden open to the public as a visitor destination
2. conduct educational activities
3. conduct science and research
4. operate horticultural activities, conserve plants & biodiversity

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The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity. Significant activities that were undertaken during the year demonstrate public benefit and are set out in the attached pages.

The contribution of volunteers during the year.

The Garden is extremely grateful for the tremendous efforts of the volunteers who are involved in so many ways in the charity's activities including operational duties (horticultural, science research, bee-keeping, library, talks, buggy driving, commercial support, archaeological work and many more), administration and marketing support. The pandemic caused a severe curtailment of our volunteering opportunities in the year. The Garden had around 200 active volunteers who came to assist the Garden on a weekly basis but the closure of the Garden and many volunteers shielding resulted in volunteers being unable to support during this time. This has resulted in a total of only 4,254 hours (2020: 27,000 hours) of voluntary input this year, the equivalent of 2 (2020: 14) full time staff.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The main achievements and performance of the charity during the year & impact of Covid 19

The operation of the Garden during the financial year 2020-21 was significantly disrupted by the Covid pandemic. The Garden was closed to the visiting public for more than six months during the period, and when it was open further distortion was apparent due to higher costs, reduced visitor confidence and the level of Covid infection prevailing at any time.

The Covid-19 pandemic was recognized from February 2020 as a significant threat, and it began to have a noticeably negative impact from March 2020 with visitor numbers dropping off sharply. From early March 2020 the Senior Management Team began preparing for the impacts of Covid, working on the basis of preparing for the worst-case scenario, which materialized when the Garden was forced to close to visitors on 22 March 2020. This early planning and preparation significantly helped the organization over the next year.

The year 2020-21 was a year like no other as the Garden responded. The Garden acted quickly as a result of the closure and within days had taken advantage of the furlough scheme to stabilise the organisations' financial position and safeguard jobs. In the first lockdown, 60% of the staff were furloughed while a key cohort of staff were retained to maintain the Garden, its infrastructure and administrative needs. Key projects continued with staff diverted to working from home and a move to an online presence. The closure of the Garden, and subsequent restrictions that remained in place during the year, resulted in a significant curtailment of operations including cancellation of all events, temporary closure of our corporate hospitality service, reduction in our education offering and a curtailment of our trading activities. Our volunteering capacity reduced as volunteers shielded and we closed our doors to protect the safety of our workforce.

Due to the extraordinary circumstance during 2020 the Board met significantly more often during March to June to support the executive, to navigate the pandemic and monitor operational and financial risk. The Garden proved to be resilient, dynamic and able to make rapid changes to respond to the changing environment. Virus control measures were implemented throughout the organisation and full, dynamic risk assessments undertaken to ensure safe re-opening to the public. The Charity was successful in acquiring various Government and other emergency funding which enabled the organisation to not only cover its key costs and attain financial stability but also start a process of investment in the Garden, including the upgrading of paths, repair and maintenance of its nursery greenhouses, refurbishment of the café and hospitality areas and other various improvements.

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A successful summer trading period while open, benefits of the reduced vat rate, receipt of key emergency grants and heavy operational cost cutting saw the Garden achieve a surplus for the year with a consequent stabilisation of its financial position and a reduction in negative free reserves, essential to meet future uncertainties and commitments.

Despite the pandemic, the conservation, research, education, maintenance and management functions continued throughout the year, at reduced levels in the first months of the pandemic, but at increased levels later in the year.

Due to closure, visitor numbers were 58% lower during 2020-21 when compared to the previous financial year.

However, despite being closed to the public, the Garden achieved some great successes during 2020-21:

1. The plant collections were maintained and enhanced
2. The major works of the landscape restoration project were completed
3. The GtF, Biophilic & SMS project teams delivered their outcomes and engaged with thousands of people across Wales, albeit in different and innovative ways
4. The Education team worked with new groups of pupils in partnership with the local authority to support access to education for all
5. The ground-breaking Saving Pollinator Assurance Scheme was launched, based on the science research of the Garden
6. The months the Garden was able to open to the public a surplus was generated from the commercial operations under very trying circumstances
7. A safe and hygienic environment was maintained for staff and visitors during a major pandemic,
8. Essential maintenance and upgrades to the site were completed
9. Through three periods of lockdown the Garden remained in the public eye with great press coverage and social media imagery
10. Through meticulous management and targeted fundraising, the management team kept the Garden finances on track and safeguarded every job
11. Visitors were welcomed to the Garden on every day that it was possible to be open

The Garden delivers key benefits for Wales against the wellbeing of Future Generations Act, and during the Covid pandemic has been able to continue this, and expand into new activities, to support the people of Wales during what was a very difficult year.

The significant impact of the Covid pandemic curtailed much of the Garden's usual public engagement and interaction during 2020-21. However, moving educational and training resources online has expanded the Garden's reach, particularly to the Welsh language audience, raised the profile of the Garden and Wales, and focused the attention of stakeholders, supporters, Members and the public at large on the conservation, research and education work of the organisation and broadened their view of the organisation and what it does. During 2020 the online learning resources were accessed in 114 different countries around the world.

The Growing the Future (GtF) project continued to deliver strongly during 2020-21, moving substantially online to deliver courses and engagement. The project has now delivered almost 10,000 training days, to 32,000 participants, with participants including Primary school pupils as part of the SHEP programme in Carmarthenshire, and learners across Wales engaging through partner hubs at Treborth Botanic Garden (Bangor), the Centre for Alternative Technology (Machynlleth) and Insole Court (Cardiff).

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The GtF project has also supported implementation of natural pest control measures in horticulture environments, to reduce the use of synthetic pesticides which harm the environment, and also used bilingual blogs on the Garden website to raise awareness of our scientific research that can support improved horticultural products and processes, and over 17,000 people have engaged with this online.

An interim Strategic Return on Investment (SROI) report on the GtF project, prepared by Social Impact Consulting Ltd., shows that the project has delivered £7.8m of value to Wales, from a spend to date of £1.47m. This value was delivered as environmental, health and wellbeing, and community cohesion benefits, and included a reduction in carbon emissions of 3,000 tonnes due to behavioural change of those people engaged with the project.

The Biophilic Wales project has continued its work with Swansea Bay Health Board, and during lockdown ran a successful #JoinOurGrowingTeam scheme, which supplied seed to people at home, for them to grow wildflowers to be brought back to the Garden and planted out at newly created green spaces for staff and patients on 40 Health Board sites. The project has also worked with Health Board Estates team to improve biodiversity on the health board sites with the creation/improvement of grassland areas. In parallel to this the project is also working on 16 Welsh National Nature Reserves to develop new and improved site monitoring techniques, using the latest DNA barcoding expertise pioneered at the Botanic Garden. The team has also been collecting seeds from some of Wales' rarest and most threatened plants, to store in the National Seed Bank of Wales, operated by the Botanic Garden, and protect them for future generations.

Dyffryn Tywi – Hanes Tirwedd Ein Bro' is a partnership project, run by the Botanic Garden, that covers the middle part of the Tywi Valley between Llandeilo and Carmarthen. The network partnership represents key interests for the natural and cultural environments in this area, and includes Cadw, Carmarthenshire County Council, Campaign for the Protection of Rural Wales, Dyfed Archaeological Trust, Gelli Aur Trust, local farmer Huw Jones at Penpal Farm, Keep Wales Tidy, National Trust at Dinefwr, Natural Resources Wales, Tywi Centre, Tywi Gateway Trust, Welsh Historic Gardens Trust and the Wildlife Trust of South and West Wales. The National Botanic Garden of Wales is host and lead partner in the project. Funded through the Welsh Government's Sustainable Management Scheme, the project shares best practice amongst the partnership and more widely amongst land owners and managers, on caring for our local landscape, for the benefit of the valley's biodiversity, its people and the economy.

The specialist horticulture teams have continued to care for the internationally important plant collections at the Botanic Garden. Our Curator is discussing participation in the Global Conservation Consortia to promote collaboration, capacity building and the effective use of the worldwide botanic garden network to assist international plant conservation efforts.

Having been created as recently as 2000, the principles of bio-diversity conservation and sustainability as included in the Nagoya Protocol, Global Strategy for Plant Conservation (GSPC), the Millennium Development Goals and enshrined in the Convention on Biological Diversity (CBD), were key founding principles for the organisation. Our international plant collections have been built in partnership with the source country, to ensure a fair and equitable sharing of any benefits arising from them. The Botanic Garden is well placed to assist international plant conservation via two primary pathways. Firstly, the Botanic Garden has the facilities, space available and favourable climate for further development of our living collections. By prioritising *ex situ* conservation, the Botanic Garden can help support the conservation of plant diversity and repatriate plant materials when required. The second pathway is capacity building in areas of high plant diversity. As a relatively new national botanic garden, created after the Convention on Biological Diversity, the Botanic Garden is uniquely positioned and has a valuable perspective on the development of conservation facilities and programmes. By working with existing partners (e.g. Vietnam partnership) and the Consortia model, the National Botanic Garden of Wales could play an important role internationally and achieve tangible plant conservation outcomes.

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The horticulture team also helped to coordinate, and participated in, the *Promoting Excellence in Horticulture* virtual conference between 28 – 30 October 2020. Staff from the Botanic Garden presented during a range of sessions and were well received by colleagues and counterparts in other public gardens from the UK, but also as far afield as Australia and South Africa. The conference was a further example of the Botanic Garden's increasing collaboration and visibility within the horticulture sector.

Work continues to conserve rare and endangered Welsh native plants, including the propagation of *Cotoneaster cambricus* (Creigafal y Gogarth), which only grows in the wild on the Great Orme, Llandudno. This project runs in parallel with the National Seed Bank of Wales at the Botanic Garden, to protect and conserve rare Welsh native plants, and use the public displays at the National Botanic Garden to inform visitors of the threat to our national flora. In a further development of the links with Japan, through the Japanese Garden which was restored during 2019 with funding from the Japanese Government, we have received 100 trees from the Japan-UK Sakura Project. These are planted alongside the existing Japanese Garden and, once established, will provide a stunning annual display of colour that will draw in visitors to the Garden.

The horticulture team is also utilising its specialist expertise to support conservation and bio-diversity projects in Wales, on a commercial basis. In partnership with Ricardo Energy & Environment and Dŵr Cymru, the Garden will provide *ex situ* conservation services for two rare hybrids of *Potamogeton*. The plants will be cultivated at the Botanic Garden for two years while Welsh Water complete necessary repairs and permanently lower Llyn Anafon reservoir near Llanfairfechan. Cultivation protocols have been developed with support from Hortus Botanicus Trebon in the Czech Republic and ecologist, Ben Goldsmith. This builds on the work for Jacobs Engineering Group, which has been successfully completed, when the Garden team assisted with the collection, cultivation and reintroduction of Devil's bit-scabious (*Succisa pratensis*) plants to seven sites in the vicinity of the A465 Heads of the Valleys Road project. The project aimed to improve habitat for the rare Marsh Fritillary butterfly.

The apprentice programme continues to flourish, with trainees in Heritage Tourism and Horticulture employed at the Garden, providing an excellent training platform for in-demand skills, of which there is a shortage in the workplace. During the pandemic all the horticulture apprentices continued their training programme and made an important contribution to maintaining the plant collections at the Garden.

The Conservation and Research team has continued their ground-breaking research into pollinators, and had a number of Scientific papers published during the year, which have had international coverage. Notably *Shifts in honeybee foraging reveal historical changes in floral resources* has now been published in the scientific journal **Communications Biology** <https://www.nature.com/articles/s42003-020-01562-4>. In the Altmetric assessment of the impact and reach of the paper, it has been placed in the top 5% of all papers rated (<https://nature.altmetric.com/details/97660528>) and has attracted substantial media interest not only across the UK, but as far afield as Italy, Bangladesh and Australia.

The main construction works for the landscape restoration project were completed in November 2020. This £7m project was completed during the heaviest of the Covid restrictions and will add a notable new facet to the iconic visitor destination that is the National Botanic Garden of Wales. The extensive network of new and improved paths, restored dams, lakes, waterfalls and cascades, will provide enhanced access to a wider area of the estate and NNR. This will be an added reason for people to visit the Garden, but will also provide additional engagement and education opportunities across the organic farm and NNR within which the restoration area sits.

During the third lockdown the Garden took the opportunity to refurbish the café, to improve customer service and adjust the layout to further improve safety measures and social distancing.

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The desire from visitors for open spaces and no crowds has also meant that, when the Garden is open to the public, more of the visitors have explored the wider areas of the 568-acre estate, to experience the wildflower meadows, farm walks, Yr Ardd Goed (Arboretum), and join guided walks through the historic landscape restoration project.

Though these changes in how the Garden operates and visitors engage with the organisation were enforced by the pandemic, they have demonstrated a growing appetite for understanding conservation, bio-diversity and ecological restoration that the Garden can and will tap into during 2021 and beyond. This has meant that despite being closed to the visiting public for more than half the year, Membership income has grown during 2020, and visitor numbers during the summer months when the Garden was open to the public were higher than ever before.

Throughout the pandemic the Garden has successfully prioritised retention of staff and facilitated flexible working as much as possible to keep staff safe and healthy. This will support the Garden's capacity to rebound from the pandemic restrictions as and when we can, and as an iconic visitor destination, the Garden will also support the recovery of the local economy and the Wales tourism sector.

The prompt and effective action implemented by the management team and the Trustees in early 2020, with the committed support of staff and volunteers, helped secure the short-term future of the Garden and put the organisation in a position to be able to plan for rebuilding visitor numbers and earned income during the 2021-22 financial year.

Investment performance against the investment objectives.

The trustees, having regard to the liquidity requirements of the Charity, have kept available funds in interest-bearing deposit accounts and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances deposit rates have been depressed and so this aim was not achieved in the year.

The invested funds held on deposit achieved an average rate of 0.22% (2020: 0.62%) against the retail price index of 1.5% (2020: 2.63%) for the year.

FINANCIAL REVIEW

The financial position of the group at 31 March 2021 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows: -

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Net income | 623,037 | 1,610,138 |
| Unrestricted revenue funds available for the general purposes of the group | (689,581) | (1,309,885) |
| Unrestricted fixed assets | 4,514,204 | 4,474,781 |
| Total unrestricted funds | 3,824,623 | 3,164,896 |
| Restricted revenue funds | 738,300 | 881,312 |
| Restricted fixed asset funds | 21,746,832 | 21,640,510 |
| Total restricted funds | 22,485,132 | 22,521,822 |
| Total funds | 26,309,755 | 25,686,718 |

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Financial review of the position at the reporting date, 31 March 2021

Due to the pandemic, visitor numbers were down by 58% on the previous year. Despite this, the combination of effective cost management, increased contributions from funded projects, the receipt of various Covid emergency funding, the Job Retention Scheme support together with a good trading result when open had a noticeably beneficial impact on the financial performance of the Garden during the 2020-21 financial year. The final outcome was a healthy operating surplus realized at the year end and an increased cash balance. This has put the Garden in the best position it had been for many years, and better able to deal with the ongoing significant challenges and uncertainties that Covid-19 presents.

In the year, total resources of £5m (2020: £6.4m) were received comprising £2.3m (2020: £2.6m) of unrestricted funds and £2.6m (2020: £3.8m) of restricted income. Total expended resources in the year amounted to £4.4m (2020: £4.8m). £1.7m (2020: £2.5m) was expended from unrestricted funds leaving an unrestricted fund balance carried forward of £3.8m (2020: £3.2m). £2.7m (2020: £2.2m) was expended from restricted funds leaving a restricted fund balance carried forward of £22.5m (2020: £22.5m). Total fund balances at 31 March 2021 were £26.3m (2020: £25.6m).

Specific changes in fixed assets are detailed in the notes to the accounts. Tangible fixed assets at cost or valuation increased to £26.2m (2020: £26.1m) representing £24.9m (2020: £24.8m) of land, buildings, plant and machinery and £1.4m (2020: £1.3m) in estate vehicles, fixtures and fittings and plants and planting.

Policies on reserves & going concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The trustees consider that the ideal level of reserves should be between £500,000 to £800,000.

The Garden's reserves policy is informed by:

- forecasts for levels of income in future years;
- forecasts for expenditure in future years on planned activity;
- analysis and assessment of future needs, opportunities, contingencies and risks.

Unrestricted reserves increased by £659k from £3.2m to £3.8m. These are funds which are expendable at the Board's discretion in furtherance of the objects or administration of the Charity. Currently all the reserves are invested in the infrastructure of the Garden and there are no freely available reserves. The Garden aims to build its reserves in the future.

The financial year of 2020-21 was an extraordinary year and the Charity relies on funding and other support from the Welsh Government for its continued operation. Recovering from the challenging circumstances and rebuilding earned income to pre-pandemic levels will be a priority for 2021-22. The Trustees will work closely with the executive during the year to achieve this, as far as possible, within the constraints of the ongoing impact of the Covid pandemic and BREXIT.

The consolidated balance sheet remains sound with net current assets of £1.5m and the ownership of a long leasehold interest. The trustees have reviewed the circumstances of the Garden and group and consider that adequate resources continue to be available to fund the activities of the Garden and group for the foreseeable future. The trustees are of the view that the Garden and group are a going concern.

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The cash-flow inflows from operating activities of £665,945 from the charity in 2021 reflected the surplus for the year. However, the trustees are aware that difficult trading circumstances faced by the Garden from the lack of free reserves, together with the economic backdrop and ongoing impact of Covid-19, will provide a challenging environment in the year to come. This surplus will provide a buffer to help meet future uncertainties. The trustees have plans in hand to address this situation and accumulate reserves as soon as practically possible.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

The major risks to which the Charity is exposed and reviews and systems to mitigate them

The trustees have a risk management strategy which comprises:

1. a bi-annual review of the principal risks and uncertainties that the charity and its subsidiary face;
2. the establishment of policies, systems and procedures to mitigate those risks identified in the bi-annual review; and
3. the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is a major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital is available to the Charity and its subsidiary company.

Attention has also been focused on non-financial risks arising from fire, health and safety of staff, volunteers and the public. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff and volunteers working in operational areas.

The Garden has the following strategies for managing the principal risks:

1. The Garden is engaged in developing new and profitable revenue streams to enhance the Garden's reach and offering as well as reduce its dependency on public sector funding.
2. The Garden acknowledges the significant value to partnering with other organisations to deliver its mission on a financially sustainable basis and is committed to working to develop these relationships to the benefit of all.
3. The Garden is now 21 years old and the need to maintain infrastructure across the 550 acres represents a long-term commitment. The Garden continues to seek innovative solutions to changing technology, and support for its ongoing maintenance obligations from a number of partner organisations.
4. The Garden is aware that its commercial income is related to the economic climate and factors such as available disposable income, public sector spending and the economy in Wales and further afield, and regularly reviews market trends to identify likely impacts on the Garden.
5. The economic impact resulting from leaving the EU and the loss of EU funding streams will impact negatively on the Garden. The Garden has received EU grant support in previous years and is actively working to secure alternative funding. The Garden has appointed a new Fundraising and Development Manager to facilitate this.
6. The ongoing Covid pandemic will have a long-lasting effect on all operations and activities. To safeguard its workforce and visitors, the Garden will therefore continue to implement a covid safe environment in accordance with Welsh Government guidelines & regulations.

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PLANS FOR THE FUTURE

Summary of plans for the future and the trustees' perspective of the future direction of the charity.

The Charity continues to implement virus control measures in accordance with Welsh Government regulations & guidelines, but the aims and activities of the Charity will continue and resume safely as restrictions ease. The Garden is well placed to meet the increased interest in the outdoors and nature and in the provision of a covid safe environment in all areas, including the wider estate, for health and wellbeing. It has adapted to introduce a stronger online presence in both its educational and retail activities engaging with people all over the world. The Garden has proven to be dynamic and well placed to continue its vision of conservation, education and inspiration and playing for Wales on the world stage.

As the Gardens reopen during 2021-22 it will focus on maximizing visitor numbers, and encourage visitors to enjoy the wider estate area for health and wellbeing benefits and to mitigate against ongoing concerns about Covid in congested areas. The opening of the historic parkland in April 2021 is a new key attraction which will help facilitate this.

Due to Covid, large events have been postponed for Summer but will resume in Autumn 2021 depending on Welsh Government regulations.

Education and learning opportunities at the Garden, moved online during the pandemic, will resume as outdoor education opportunities are phased back during the Summer of 2021 and schools are allowed to visit. Continued work is being undertaken to improve the opportunities for disadvantaged communities and under-represented groups.

Further improvements in the IT system are being implemented to provide improved membership services and visitor data.

Following investment in the café and courtyard area the hospitality department has transformed its operations to meet the Covid related H&S requirements, and to ensure maximum flexibility of operations as the pandemic ebbs and flows over the coming year.

During 2021-22 the management of the farm continues with a focus on improving the biodiversity of the NNR. Increased investment is planned focussing on biodiversity and to facilitate more use of the area as a learning resource.

Grant funding opportunities from new sources will be actively investigated to replace the loss of EU funds as key projects come to an end during 2021-22. Legacy development and fundraising campaigns will also be a priority during 2021.

Marketing and promotion of the Garden will resume to foster confidence with potential visitors in the organization and its ability to operate safely in the current climate.

As the leading visitor attraction in Carmarthenshire and an important economic anchor organization for West Wales, the Garden continues to support the use of Welsh as a working language. Participation in Welsh language activities will also ensure that the use of the Welsh language by our visitors is encouraged.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure of the charity

The Charity is constituted as a company limited by guarantee. The governing document of the parent charity is the Memorandum and Articles of Association establishing the company under company legislation.

By operation of law, all trustees are directors under the Companies Act 2006 and all directors are trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The trustees of the charity are all individuals.

The Company Members of the National Botanic Garden of Wales appoint the Board in accordance with the Garden's constitution at the annual general meeting. Trustees retire by rotation at the Annual General Meeting and may be re-elected. Any casual vacancy is advertised openly and any appointment approved by the Trustees.

The Trustees developed and approved a new Governance Manual during 2018, to ensure best practice in line with the Nolan Principles for standards in public life, Charity Commission guidance and the Companies Act. The Manual will be provided to all prospective and new Trustees as part of an induction pack during any future Trustee recruitment process.

The charity's organisational structure

The board of trustees administers the charity. The board agreed to reduce the number of full board meetings to four annually, whilst increasing the frequency of sub-committees covering nominations, remuneration, finance and audit. A Chief Executive (known as the Director) is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees within the Governance Manual, for operational matters including finance, employment and operations.

The Chief Executive Officer and other senior management personnel to whom day to day management is delegated:

The senior management personnel of both the Charity and trading subsidiary at the date of approval of the report and during the accounting period were as follows:

Executive Senior Management Team:

| | |
|--------------|--|
| H Francis | Chief Executive Officer (Director) |
| Dr N De Vere | Head of Science, Conservation and Research |
| W Ritchie | Curator |
| SC Evans | Head of Finance |
| D Cattell | Head of Facilities |
| D Hardy | Head of Marketing and Communications |
| M Ward | Head of Trading and Admissions |
| C Williams | Head of Hospitality |
| A Nicholas | Human Resources Manager |

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Setting pay and remuneration of key management personnel

The directors consider the board of directors, who are the Charity's trustees, and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. There were no directors' expenses or material related party transactions in the year under review.

The pay of the senior staff is reviewed periodically. In view of the nature of the charity, the directors benchmark against pay levels in other regional Charities of a similar nature.

The charity as a part of a wider network

The Garden works in partnership with a large number of partner organisations throughout Wales and the wider international community. The areas of partnership include those from horticulture, education, sustainability, conservation, science and research as well as historic landscape, arts and Welsh culture. The Garden is particularly grateful for the support of the European Union, Welsh Government (WG), the Waterloo Foundation, Heritage Lottery Fund and Colonel Patrick Daniell whose financial contributions and wider input are much valued.

The charity's relationships with related parties.

None of our trustees receive remuneration. Any connection between a trustee or senior manager of the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year no material related party transactions were reported.

The charity's wholly owned subsidiary, Middleton Garden Limited, was established to operate the commercial catering, conferencing and retail facilities at the Garden. Middleton Garden Limited has a license from the charity to operate those facilities and distributes its profits to the charity (see note to the accounts).

REFERENCE AND ADMINISTRATIVE DETAILS

The legal name of the charitable group is: The National Botanic Garden of Wales

The charity is also known by its operating name, The National Botanic Garden of Wales

Details of the group:

The parent charity is The National Botanic Garden of Wales. The subsidiary is Middleton Garden Limited.

The charity's areas of operation and UK charitable registration:

The charity is registered with the Charity Commission for England & Wales with charity number 1036354 and with Companies House with registration number 2909098.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

The principal operating address, telephone number, email and web address of the charity is:

Middleton Hall, Llanarthne, Carmarthen, Carmarthenshire, SA32 8HG

Telephone: 01558 667149

Email Address: info@gardenofwales.org.uk

Web address: www.botanicgarden.wales

**THE NATIONAL BOTANIC GARDEN OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were

| | |
|----------------------|------------------------------|
| G Davies (Chair) | |
| D Howell | (Re)-appointed November 2019 |
| R Glyn Thomas | |
| J James (Vice Chair) | (Re)-appointed November 2019 |
| Cllr D Jenkins | |
| Sir R Jones | (Re)-appointed November 2019 |
| T Jones | |
| E Parrott | |
| S Williams | |
| M Woods | |
| P Smith | |
| E Whittle | |
| S Jennings | Appointed 1 September 2020 |
| Professor I Donnison | Appointed 1 September 2020 |
| M Davies | Appointed 1 September 2020 |
| Dr S Matthews | Appointed 1 September 2020 |
| P Wall | Appointed 1 September 2020 |

At the Annual General Meeting four of the trustees are due to retire and will be eligible for re-election. All the trustees are also members of the charity.

Bankers:

NatWest Bank, 59 King Street, Carmarthen

Solicitors:

Acuity Legal, 3 Assembly Bay, Cardiff
Morgan De La Roche Solicitors, Carmarthen

Auditor:

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

Statement as to disclosure of information to auditors

The trustees state that so far as each of the trustees at the time this report was approved are aware:

- a. There is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware, and
- b. The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

**THE NATIONAL BOTANIC GARDEN OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The trustees (who are also directors of The National Botanic Garden Of Wales) for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and the directors' report) and the financial statements in accordance with 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).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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.

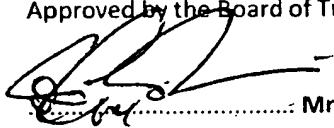
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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.

Approved by the Board of Trustees on24.11.21..... and signed on behalf of the Board



..... Mr G Davies - Chair

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of The National Botanic Garden of Wales (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st March 2021 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2021, and of the group's 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.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent 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 other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report⁶. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2021**

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 (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 groups and parent 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 group or parent 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

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2021**

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, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA
Senior Statutory Auditor
For and on behalf of
Azets Audit Services
Chartered Accountants and Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date 17-12-2021

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE NATIONAL BOTANIC GARDEN OF WALES
STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED
FOR THE YEAR ENDED 31 MARCH 2021
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Income and endowments from: | | | | | |
| Donations and legacies | 3 | 981,287 | 48,260 | 1,029,547 | 1,430,473 |
| Charitable activities | 4 | 964,203 | 2,571,980 | 3,536,183 | 4,019,647 |
| Investment income | 5 | 3,135 | - | 3,135 | 4,625 |
| Other trading activities | 6 | 398,212 | 9,032 | 407,244 | 978,027 |
| Total income and endowments | | 2,346,837 | 2,629,272 | 4,976,109 | 6,432,772 |
| Expenditure on: | | | | | |
| Raising funds | 7 | 317,207 | - | 317,207 | 917,997 |
| Charitable activities | 7 | 1,358,932 | 2,676,933 | 4,035,865 | 3,904,637 |
| Total expenditure | | 1,676,139 | 2,676,933 | 4,353,072 | 4,822,634 |
| Net income/(expenditure) | 8 | 670,698 | (47,661) | 623,037 | 1,610,138 |
| Transfers between funds | 19,20 | (10,971) | 10,971 | - | - |
| Net movement in funds | | 659,727 | 36,690 | 623,037 | 1,610,138 |
| Reconciliation of Funds | | | | | |
| Total funds brought forward | 19,20 | 3,164,896 | 22,521,822 | 25,686,718 | 24,076,580 |
| Total funds carried forward | 20,21 | 3,824,623 | 22,485,132 | 26,309,755 | 25,686,718 |

All of the net incoming/ (outgoing) resources are from continuing activities.
The company has no recognised gains or losses other than the above.

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
BALANCE SHEET - CONSOLIDATED
AS AT 31 MARCH 2021

| | | 2021 | 2020 |
|--|------|--------------------------|--------------------------|
| | Note | £ | £ |
| Fixed assets: | | | |
| Tangible assets | 12 | 26,261,036 | 26,115,291 |
| Current assets: | | | |
| Stocks | 14 | 100,507 | 108,353 |
| Debtors | 15 | 721,418 | 1,024,701 |
| Cash at bank and in hand | | <u>1,424,911</u> | <u>758,966</u> |
| | | 2,246,834 | 1,892,020 |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 16 | <u>(749,432)</u> | <u>(880,678)</u> |
| Net current assets | | <u>1,497,404</u> | <u>1,011,342</u> |
| Net assets | | 27,758,440 | 27,126,633 |
| Creditors: Amounts falling due after one year | 17 | <u>(1,448,685)</u> | <u>(1,439,915)</u> |
| Total net assets | | <u>26,309,755</u> | <u>25,686,718</u> |
| The funds of the charity: | | | |
| Restricted income funds | 19 | 22,485,132 | 22,521,822 |
| Unrestricted funds | 20 | 3,824,623 | 3,164,896 |
| Total charity funds | 21 | <u>26,309,755</u> | <u>25,686,718</u> |

These financial statements were approved by the Board of Directors/Trustees on 24-11-21


D Howell- Trustee

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
BALANCE SHEET - CHARITY
AS AT 31 MARCH 2021

| | | 2021 | 2020 |
|--|------|---------------------------|---------------------------|
| | Note | £ | £ |
| Fixed assets: | | | |
| Tangible assets | 12 | 26,252,269 | 26,107,113 |
| Investments | 13 | <u>1</u> | <u>1</u> |
| | | 26,252,270 | 26,107,114 |
| Current assets: | | | |
| Stocks | 14 | 21,479 | 25,536 |
| Debtors | 15 | 788,502 | 1,081,504 |
| Cash at bank and in hand | | <u>1,422,006</u> | <u>756,381</u> |
| | | 2,231,987 | 1,863,421 |
| Liabilities: | | | |
| Creditors: Amounts falling due within one year | 16 | <u>(734,630)</u> | <u>(852,080)</u> |
| Net current assets | | <u>1,497,357</u> | <u>1,011,341</u> |
| Total assets less current liabilities | | <u>27,749,627</u> | <u>27,118,455</u> |
| Creditors: Amounts falling due after one year | 17 | <u>(1,448,685)</u> | <u>(1,439,915)</u> |
| Total net assets | | <u>26,300,942</u> | <u>25,678,540</u> |
| The funds of the charity: | | | |
| Restricted income funds | 19 | 22,485,132 | 22,521,822 |
| Unrestricted funds | 20 | <u>3,815,810</u> | <u>3,156,718</u> |
| Total charity funds | 21 | <u>26,300,942</u> | <u>25,678,540</u> |

These financial statements were approved by the Board of Directors/Trustees on24-11-21.....


D Howell: Trustee

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
STATEMENT OF CASH FLOWS - GROUP
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 £ | 2020 £ |
|---|--------|-----------------------------|---------------------------|
| Net cash provided by operating activities | 24 | <u>1,794,812</u> | <u>2,258,450</u> |
| <i>Cash flows from investing activities:</i> | | | |
| Dividends, interest and rents from investments | 5 | 3,135 | 4,625 |
| Purchase of property plant and equipment | 12 | <u>(1,128,772)</u> | <u>(2,229,892)</u> |
| Net cash used in investing activities | | <u>(1,125,637)</u> | <u>(2,225,267)</u> |
| <i>Cash flows from financing activities:</i> | | | |
| New finance | 24 | 3,000 | - |
| Repayments of borrowing | 24 | <u>(6,230)</u> | <u>(12,625)</u> |
| Net cash (used in)/ from financing activities | | <u>(3,230)</u> | <u>(12,625)</u> |
| Change in cash and cash equivalents in the reporting period | | 665,945 | 20,558 |
| Cash and cash equivalents at the beginning of the reporting period | | 758,966 | 738,408 |
| Cash and cash equivalents at the end of the reporting period | 24 | <u><u>1,424,911</u></u> | <u><u>758,966</u></u> |

The notes on pages 22 to 45 form part of the financial statements

**THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES

Legal form and address

The National Botanic Garden of Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Neuadd Deg, Middleton Hall, Llanarthne, Carmarthenshire, SA32 8HG.

Basis of preparation

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Middleton Garden Limited on a line by line basis.

No separate statement of financial activities and income and expenditure account has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the Statement of Recommended Practice: Charities SORP (FRS 102).

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31 March 2022, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. The Trustees have also obtained reassurance as to the loan which is currently being reviewed. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

Fund accounting

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

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

Income recognition

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

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

Income from charitable activities and trading income is recognised in the period to which the service relates with any amounts received in advance being deferred.

Retail, café and plant sales are recognised at the date of sale.

No amounts are included in the financial statements for services and time donated by volunteers. Interest on funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs in relation to generating income such as fundraising and events, marketing and publicity and certain costs associated with the charity's trading subsidiary.
- Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

An analysis has been provided for the charitable activities on a departmental basis.

Costs where possible are attributed directly to the activity to which they relate. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Taxation

As a registered charity The National Botanic Garden of Wales is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses, or in cases where fixed assets have been donated to the charity, at valuation at time of acquisition.

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | | |
|--------------------------------------|-----------|-----------------|
| Freehold premises and leasehold land | 0% | % straight line |
| Leasehold premises | 2% | % straight line |
| Plant and machinery | 4% - 33% | % straight line |
| Motor vehicles | 10% - 25% | % straight line |

A regular annual review of the likelihood of asset impairment is undertaken.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

Plant Collection

No depreciation is provided on the plant collection because it is the practice to maintain and renew the plants on a continual basis. Accordingly, the life is so long and the residual value so high that the Trustees consider that depreciation calculated in accordance with accepted accounting standards would be immaterial.

Accounting for capital grants and fixed asset funds.

Where the terms of the gift require the charity to hold the asset on an ongoing basis for a specific purpose, then the fixed asset fund so created is categorised as a restricted fixed asset fund, and the relevant restrictions are noted in the fixed asset note in the financial statements.

Where the terms of the gift are met once the asset is acquired, so allowing the charity to use the asset on an unrestricted basis, including the right to receive the proceeds of any future sale of the asset on an unrestricted basis, then the fixed asset is transferred to unrestricted funds.

As the related assets are depreciated, in accordance with the depreciation policy, in order to reflect the diminution in the asset, a transfer is made from the relevant fixed asset funds to either unrestricted or restricted revenue funds, as appropriate to the terms of the original gift, if any.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised.

Investments

Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents

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

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due and are allocated against unrestricted funds.

Operating Leases

Rental charges are charged on a straight line basis over the term of the lease.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|-------------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | 81,823 | 48,260 | 130,083 | 808,753 |
| Legacy | 4,988 | - | 4,988 | 9,969 |
| Sponsorship | - | - | - | 3,000 |
| Grants | 894,476 | - | 894,476 | 608,751 |
| | <u>981,287</u> | <u>48,260</u> | <u>1,029,547</u> | <u>1,430,473</u> |

Grants were received from the following sources:

| | Total 2021 £ | Total 2020 £ |
|--|--------------------|--------------------|
| Welsh Government (Core) | 834,000 | 581,000 |
| Welsh Government – Rural Development Wales | 60,476 | 27,751 |
| | <u>894,476</u> | <u>608,751</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. INCOME FROM CHARITABLE ACTIVITIES

| <u>Group</u> | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Admission fees | 365,107 | - | 365,107 | 575,062 |
| Educational and contract income | 30,564 | 8,119 | 38,683 | 82,390 |
| Grants | 247,841 | 2,563,861 | 2,811,702 | 3,060,031 |
| Membership income | 213,388 | - | 213,388 | 185,626 |
| Other income | 40,582 | - | 40,582 | 29,950 |
| Plant and seed sales | 66,721 | - | 66,721 | 86,588 |
| | <u>964,203</u> | <u>2,571,980</u> | <u>3,536,183</u> | <u>4,019,647</u> |

Grants were received from the following sources:

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| European Regional Development Fund | 734,515 | 902,139 |
| Welsh Government Enabling Natural Resources and Wellbeing | 358,681 | 232,561 |
| Welsh Government Capital Funds | 195,000 | 395,000 |
| The Waterloo Foundation | 111,000 | 150,000 |
| The National Lottery Heritage Fund | 978,725 | 1,304,785 |
| Postcode Lottery | - | 18,480 |
| Carmarthenshire County Council LEADER Programme | - | 42,931 |
| The Finnis Scott Foundation | - | 5,000 |
| HMRC | 285,488 | 9,135 |
| Welsh Government COVID-19 | 148,293 | |
| | <u>2,811,702</u> | <u>3,060,031</u> |

5. INVESTMENT INCOME

| <u>Group and charity</u> | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Bank interest | 3,135 | - | 3,135 | 4,625 |
| | <u>3,135</u> | <u>-</u> | <u>3,135</u> | <u>4,625</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. OTHER TRADING ACTIVITIES

| Group | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Corporate and wedding income | 1,787 | - | 1,787 | 103,652 |
| Event income | 567 | - | 567 | 27,086 |
| Food and drink sales | 211,647 | - | 211,647 | 602,151 |
| Other sales | 700 | - | 700 | 5,662 |
| Renewable income | 70,680 | - | 70,680 | 73,795 |
| Rental income | 6,679 | - | 6,679 | 19,041 |
| Sale of goods | 106,152 | 9,032 | 115,184 | 146,640 |
| | 398,212 | 9,032 | 407,244 | 978,027 |

TOTAL INCOME

Income has been generated from the following categories:

| | Total 2021 £ | Total 2020 £ |
|--------------------------|-----------------------------|-----------------------------|
| Middleton Garden Limited | 445,391 | 960,843 |
| Horticulture | 29,581 | 32,976 |
| Education | 10,082 | 58,309 |
| Admission and membership | 650,578 | 848,409 |
| Operations and central | 1,207,991 | 720,398 |
| Fundraising and events | 767 | 26,493 |
| Science | 2,447 | 4,930 |
| Restricted funds | 2,629,272 | 3,780,414 |
| | 4,976,109 | 6,432,772 |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. EXPENDITURE ON CHARITABLE ACTIVITIES

| | Raising funds £ | Direct £ | Support £ | Governance £ | Total 2021 £ | Total 2020 £ |
|---|--------------------------------|---------------------|----------------------|-------------------------|-----------------------------|-----------------------------|
| Advertising and marketing | 12,229 | 35,901 | 1,173 | - | 49,303 | 111,016 |
| Audit fees | - | - | - | 12,500 | 12,500 | 12,050 |
| Bad debt | - | - | (1,445) | - | (1,445) | 9,733 |
| Catering consumables | 6,650 | - | - | - | 6,650 | 30,747 |
| Cleaning and waste management | 95 | 20,151 | 374 | - | 20,620 | 28,007 |
| Depreciation | 2,027 | 958,573 | 18,876 | - | 979,476 | 970,799 |
| Educational and research expenditure | - | 22,366 | - | - | 22,366 | 74,579 |
| Equipment hire, repairs and maintenance | 13,983 | 63,509 | 694 | - | 78,186 | 101,366 |
| Event and attraction expenses | 460 | (52) | - | - | 408 | 54,181 |
| Farm expenses | - | 11,787 | - | - | 11,787 | 13,338 |
| Health and safety | - | 6,532 | - | - | 6,532 | 10,152 |
| Horticulture costs | - | 150,518 | - | - | 150,518 | 213,682 |
| Insurance | - | 53,533 | - | - | 53,533 | 49,957 |
| Interest, card and bank charges | - | 133 | 19,081 | - | 19,214 | 36,716 |
| IT costs | 3,617 | 37,868 | 18,470 | - | 59,955 | 70,520 |
| Lease costs | - | - | 5,944 | - | 5,944 | 6,410 |
| Legal and professional fees | 945 | 91,031 | 12,005 | - | 103,981 | 86,462 |
| Light, heat, power | - | 176,691 | - | - | 176,691 | 227,652 |
| Loss on sale of asset | - | - | - | - | - | 48,791 |
| Other costs | 104 | 1,295 | 2,066 | - | 3,465 | 4,236 |
| Other staff and volunteer costs | 90 | 67,946 | - | - | 68,036 | 76,909 |
| Printing, postage, stationery | 3,564 | 25,789 | 4,019 | - | 33,372 | 32,876 |
| Premises repairs and maintenance | - | 236,089 | - | - | 236,089 | 44,862 |
| Purchases | 114,842 | 32,793 | - | - | 147,635 | 330,298 |
| Rent, rates and water | - | 10,162 | - | - | 10,162 | 19,919 |
| Subscriptions and licenses | 2,861 | 11,770 | 1,748 | - | 16,378 | 18,943 |
| Telephone and mobiles | - | 12,295 | 4,310 | - | 16,605 | 16,039 |
| Translation and interpretation | - | 15,492 | - | - | 15,492 | 31,837 |
| Travel and subsistence | 180 | 1,280 | 4,957 | - | 6,417 | 37,175 |
| Wages and salaries | 155,560 | 1,723,472 | 164,169 | - | 2,043,201 | 2,060,462 |
| | <u>317,207</u> | <u>3,766,924</u> | <u>256,441</u> | <u>12,500</u> | <u>4,353,072</u> | <u>4,822,634</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
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7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Costs have been expended from the following categories:

| | 2021 £ | 2020 £ |
|--------------------------|------------------|------------------|
| Middleton Garden Limited | 426,545 | 846,252 |
| Horticulture | 321,726 | 362,291 |
| Education | 56,332 | 92,539 |
| Admission and membership | 63,678 | 90,349 |
| Operations and central | 617,003 | 806,720 |
| Fundraising and events | 74,272 | 176,546 |
| Science | 86,529 | 125,441 |
| Interpretation | 30,054 | 33,949 |
| Restricted funds | 2,676,933 | 2,288,547 |
| | <u>4,353,072</u> | <u>4,822,634</u> |

8. NET INCOME FOR THE YEAR

Net income for the period was stated after charging:

| <u>Group</u> | 2021 £ | 2020 £ |
|------------------------|---------------|---------------|
| Auditors remuneration: | | |
| Audit fees | 11,500 | 11,050 |
| Accountancy services | 1,000 | 1,000 |
| Depreciation | 979,476 | 970,799 |
| Operating leases | <u>11,175</u> | <u>10,140</u> |

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

| | Total 2021 £ | Total 2020 £ |
|---|--------------------|--------------------|
| Wages and salaries | 1,764,476 | 1,742,244 |
| Freelance and contracted labour | 80,394 | 137,430 |
| Social security costs | 119,335 | 120,132 |
| Pension costs (defined contribution scheme) | 62,278 | 60,656 |
| | <u>2,026,483</u> | <u>2,060,462</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

The number of employees whose annual remuneration was £60,000 or more were:

| | Total 2021 £ | Total 2020 £ |
|-------------------|--------------------|--------------------|
| £70,000 - £79,999 | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |

Number of staff to whom benefits are accruing:

| | Total 2021 £ | Total 2020 £ |
|--------------------------|--------------------|--------------------|
| Key management personnel | <u>1</u> | <u>1</u> |
| | <u>1</u> | <u>1</u> |

Employer pension contributions for the above employee totalled £3,750 (2020: £3,750).

Key management personnel

The key management personnel of the charity and the group as noted in the trustees report received benefits (including gross salary, employer's national insurance contributions and employer's pension contributions) of £380,473 (2020: £394,369).

Redundancy and termination payments

During the year redundancy payments totalling £10,624 (2020: £nil) were made. There were no amounts outstanding at the current or prior year end.

Transactions with trustees.

No trustee was remunerated or was reimbursed for expenses during the current or prior year.

Transactions with Trading Subsidiary

Middleton Garden Limited is the charity's wholly owned subsidiary.

The following transactions between the two organisations are noted below:

Related Party transactions:

During the year the charity charged Middleton Garden Limited £70,953 (2020: £92,012) in management fees.

During the year Middleton Garden Limited gifted the charity £18,256 (2020: £21,484).

As at 31 March 2021 Middleton Garden Limited owed the charity £67,084 (2020: £63,055).

THE NATIONAL BOTANIC GARDEN OF WALES
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9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

Transactions with Other

During the year goods were purchased totalling £nil (2020: £917) from a company owned by one of the trustees. There were no amounts outstanding during the current or prior year.

10. STAFF NUMBERS

Group

The average number of staff employed by the group during the year was as follows:

| 2021 | 2020 |
|-------------|-------------|
| No. | No. |
| 102 | 120 |
| 102 | 120 |

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

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| Charitable activities | 73 | 80 |
| Fundraising activities | - | 2 |
| Management and administration | 13 | 13 |
| | 86 | 95 |

11. DEFINED CONTRIBUTION PENSION SCHEMES

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The charge to the profit or loss in respect of defined contribution schemes was £62,278 (2020: £60,656).

There were amounts outstanding of £nil during the year (2020: £10,850).

THE NATIONAL BOTANIC GARDEN OF WALES
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FOR THE YEAR ENDED 31 MARCH 2021

12. TANGIBLE FIXED ASSETS

| Group | Land and buildings £ | Plant and machinery £ | Fixtures, fittings, vehicles and plants £ | Total £ |
|-----------------------|-------------------------------------|--------------------------------------|--|--------------------|
| Cost | | | | |
| At 1 April 2020 | 29,078,231 | 9,145,105 | 2,295,323 | 40,518,659 |
| Additions | 771,336 | 202,245 | 155,191 | 1,128,772 |
| Disposals | - | - | (3,550) | (3,550) |
| At 31 March 2021 | <u>29,849,567</u> | <u>9,347,350</u> | <u>2,446,964</u> | <u>41,643,881</u> |
| Depreciation | | | | |
| At 1 April 2020 | 9,282,177 | 4,148,056 | 973,135 | 14,403,368 |
| Charge for the year | 485,578 | 385,621 | 108,278 | 979,477 |
| At 31 March 2021 | <u>9,767,755</u> | <u>4,533,677</u> | <u>1,081,413</u> | <u>15,382,845</u> |
| Net book value | | | | |
| At 31 March 2021 | <u>20,081,812</u> | <u>4,813,673</u> | <u>1,365,551</u> | <u>26,261,036</u> |
| At 31 March 2020 | <u>19,796,054</u> | <u>4,997,049</u> | <u>1,322,188</u> | <u>26,115,291</u> |
| Charity | | | | |
| Cost | | | | |
| At 1 April 2020 | 29,078,231 | 9,134,004 | 2,294,708 | 40,506,944 |
| Additions | 771,336 | 202,245 | 152,294 | 1,125,875 |
| Disposals | - | - | (3,550) | (3,550) |
| At 31 March 2021 | <u>29,849,567</u> | <u>9,336,249</u> | <u>2,443,452</u> | <u>41,629,268</u> |
| Depreciation | | | | |
| At 1 April 2020 | 9,282,177 | 4,144,518 | 973,135 | 14,399,830 |
| Charge for the year | 485,578 | 383,726 | 107,865 | 977,169 |
| At 31 March 2021 | <u>9,767,755</u> | <u>4,528,244</u> | <u>1,081,000</u> | <u>15,376,999</u> |
| Net book value | | | | |
| At 31 March 2021 | <u>20,081,812</u> | <u>4,808,005</u> | <u>1,362,452</u> | <u>26,252,269</u> |
| At 31 March 2020 | <u>19,796,054</u> | <u>4,989,486</u> | <u>1,321,573</u> | <u>26,107,113</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. TANGIBLE FIXED ASSETS (continued)

| | 2021 | 2020 |
|--|------------|------------------|
| | £ | £ |
| NBV of assets under finance leases | 3,808,000 | 4,076,800 |
| Depreciation on the above | 268,800 | 268,800 |
| Capital commitments at balance sheet date | - | 933,058 |
| Total of assets funded by restricted reserves | 21,915,389 | 21,640,510 |
| Total of assets funded in course of construction | <u>-</u> | <u>1,850,438</u> |

13. TRADING SUBSIDIARY

| | |
|------------------------------|---|
| Name of subsidiary: | Middleton Garden Limited |
| Company Number: | 3080697 |
| Company Registration: | England and Wales |
| Registered Office: | Same as parent charity |
| Activities: | Trading enterprise encompassing: Livestock sales, retail sales, restaurant, café, plant sales, corporate hire and hospitality |
| Investment Value: | £1 |
| Holding: | 100% |
| Share Type: | Ordinary |

| | 2021 | 2020 |
|---|---------------|---------------|
| | £ | £ |
| Profit and Loss Account | | |
| Turnover | 445,391 | 960,843 |
| Expenditure | (426,545) | (938,265) |
| Operating profit | <u>18,846</u> | <u>22,578</u> |
| Statement of Changes in Equity | | |
| Balance brought forward | 8,179 | 7,085 |
| Profit and total comprehensive income for the period | 18,846 | 22,578 |
| Distributions to parent charity under gift aid | (18,256) | (21,484) |
| Balance carried forward | <u>8,769</u> | <u>8,179</u> |
| Capital and Reserves: | | |
| Reserves | 8,768 | 8,178 |
| Share capital | 1 | 1 |
| | <u>8,769</u> | <u>8,179</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. STOCK

| | Total 2021 £ | Total 2020 £ |
|-----------------------|--------------------|--------------------|
| <u>Group</u> | | |
| Stock | 100,507 | 108,353 |
| | <u>100,507</u> | <u>108,353</u> |
| <u>Charity</u> | | |
| Stock | 21,479 | 25,536 |
| | <u>21,479</u> | <u>25,536</u> |

15. DEBTORS

| | Total 2021 £ | Total 2020 £ |
|------------------------------------|--------------------|--------------------|
| <u>Group</u> | | |
| Trade debtors | 9,183 | 20,956 |
| Prepayments | 57,554 | 54,442 |
| Other debtors | 654,681 | 949,303 |
| | <u>721,418</u> | <u>1,024,701</u> |
| <u>Charity</u> | | |
| Trade debtors | 9,183 | 14,705 |
| Prepayments | 57,554 | 54,442 |
| Other debtors | 654,681 | 949,302 |
| Amounts owed by group undertakings | 67,084 | 63,055 |
| | <u>788,502</u> | <u>1,081,504</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Total 2021 £ | Total 2020 £ |
|------------------------------|-----------------------------|-----------------------------|
| <u>Group</u> | | |
| Bank loans and overdrafts | 25,460 | 37,460 |
| Trade creditors | 332,273 | 287,937 |
| Deferred income | 466 | 139,221 |
| Accruals | 389,703 | 373,196 |
| Taxation and social security | - | 29,308 |
| Other creditors | 1,530 | 13,556 |
| | <u>749,432</u> | <u>880,678</u> |
| <u>Charity</u> | | |
| Bank loans and overdrafts | 25,460 | 37,460 |
| Trade creditors | 317,995 | 266,819 |
| Deferred income | 466 | 136,745 |
| Accruals | 389,179 | 368,192 |
| Taxation and social security | - | 29,308 |
| Other creditors | 1,530 | 13,556 |
| | <u>734,630</u> | <u>852,080</u> |

Deferred Income relates to:

Deferred income relates to wedding, events and course income and grants received in advance relating to the 2021/22 financial year.

Movement in deferred income

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| <u>Group</u> | | |
| Balance at the start of the reporting period | 139,221 | 16,550 |
| Amounts added in current period | - | 182,826 |
| Amounts released to income from previous periods | (138,755) | (60,155) |
| Balance at the end of the reporting period | <u>466</u> | <u>139,221</u> |
| <u>Charity</u> | | |
| Balance at the start of the reporting period | 136,745 | 4,592 |
| Amounts added in current period | - | 176,963 |
| Amounts released to income from previous periods | (137,211) | (44,810) |
| Balance at the end of the reporting period | <u>466</u> | <u>136,745</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. CREDITORS: AMOUNT FALLING DUE AFTER ONE YEAR

| <u>Group & Charity</u> | Total 2021 £ | Total 2020 £ |
|-----------------------------------|-----------------------------|-----------------------------|
| Loans | <u>1,448,685</u> | <u>1,439,915</u> |
| | <u>1,448,685</u> | <u>1,439,915</u> |

The balance can be broken down as follows:

| | | |
|-----------------------|------------------|------------------|
| Less than one year | 25,460 | 37,460 |
| Between 2 and 5 years | 1,448,685 | 107,000 |
| Over five years | - | 1,332,915 |
| | <u>1,474,145</u> | <u>1,477,375</u> |

Included in the above is a loan from Carmarthenshire County Council totalling £1,350,000 (2020: £1,350,000) the loan has no interest attached to it and is currently being reviewed.

Other loans included in the above include £93,000 due to Welsh Government which is due to be repaid in 2027 and has no interest attached to it and £31,145 (2020: £37,375) due to The Esmee Fairburn Foundation which is due to be repaid in 2023 and carries a 6% interest charge.

18. ASSETS OF THE CHARITY CHARGED TO MEET ITS LIABILITIES

A legal mortgage is in place on the company's freehold land and leasehold buildings in favour of The National Lottery Communities Fund to secure all monies and liabilities advanced by the Fund to the company. This is due to expire in 2020. This mortgage restricts the use of the assets to that of a botanical garden. The Welsh Government and Lombard Property Facilities Limited also have legal charges over part of the leasehold and freehold land of the company. NatWest Bank has a registered debenture, but there are currently no borrowings outstanding.

| | Total 2021 £ | Total 2020 £ |
|------------------------------------|-----------------------------|-----------------------------|
| Amount secured is estimated to be: | <u>21,915,389</u> | <u>21,640,510</u> |

The garden entered into a legal charge in 2018 with The National Lottery Heritage Fund to secure all monies and liabilities owed to it at any one time, up to £3.6m.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. RESTRICTED FUNDS

| | Balance at 1 April 2020 | Income | Expenditure | Transfers | Balance at 31 March 2021 |
|--|-------------------------------|------------------|--------------------|---------------|--------------------------------|
| <u>Group and charity</u> | £ | £ | £ | £ | £ |
| Fixed Asset Fund | 21,640,510 | 195,000 | (939,741) | 851,063 | 21,746,832 |
| Growing the Future | 463,007 | 545,715 | (533,956) | (13,485) | 461,281 |
| Regency Restoration | 158,900 | 741,025 | (247,102) | (709,604) | (56,781) |
| Apprenticeship Scheme | 131,522 | 38,260 | (62,475) | - | 107,307 |
| The Waterloo Foundation / Borneo | 2,265 | - | (25) | - | 2,240 |
| Welsh Government - Sundry | 2,750 | - | - | - | 2,750 |
| Caru Natur Cymru'/Biophilic Wales Project | - | 358,681 | (313,781) | - | 44,900 |
| Postcode Lottery | 18,470 | - | (669) | - | 17,801 |
| Sustainable management scheme | 104,398 | 206,403 | (123,082) | (28,917) | 158,802 |
| Coronavirus Job Retention Scheme | - | 285,488 | (285,488) | - | - |
| IMS | - | 11,000 | (15,025) | 4,025 | - |
| Heritage Lottery Emergency Fund | - | 247,700 | (155,589) | (92,111) | - |
| | <u>22,521,822</u> | <u>2,629,272</u> | <u>(2,676,933)</u> | <u>10,971</u> | <u>22,485,132</u> |

Fixed Asset Fund - The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'. Restricted fixed asset fund relate to the purchase, development and maintenance of the botanic garden. The Millennium Commission supported the project by approving grants for £22.3m and the European Regional Development Fund by £6.3m. The Welsh Government (including funds from Welsh Development Agency and Wales Tourist Board) also provided restricted grant funding of £4.8m.

Growing the Future – This is a five year Welsh Government Rural Communities – Rural Development Programme 2014-2020 project designed to promote Welsh horticulture, plants for pollinators, protection of wildlife and the virtues of growing food for health and well-being. It is funded by the European Agricultural Fund for Rural Development and Welsh Government.

Regency Restoration – This project aims to restore the Garden's historic parkland to its original 19th century Regency waterpark landscape. When completed, the Garden will feature a necklace of seven lakes, cascades, falls and weirs created more than 200 years ago together with a Regency planting scheme which formed the heart of its parkland. It is funded by the Heritage Lottery Fund, Garfield Weston Foundation, Monument Trust, The Mercers' Company, Welsh Government, Esme Fairbairn Trust, Patsy Wood Trust and other generous donations.

Apprenticeship Scheme – This scheme funds three apprenticeship placements for horticultural trainees. It is supported by a combination of restricted donations, the National Garden Scheme and Ernest Cook Trust.

The Waterloo Foundation / Borneo - This represents funding received to research rainforest regeneration within secondary and replanted sites using DNA barcoding, located in the Kinabatangan Rainforest, Borneo.

Welsh Government - Sundry - This relates to the balance of funding received to investigate and survey buildings.

**THE NATIONAL BOTANIC GARDEN OF WALES
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19. RESTRICTED FUNDS (continued)

Caru Natur Cymru'/Biophilic Wales Project - Our 'Caru Natur Cymru'/Biophilic Wales project is funded by the Welsh Government Enabling Natural Resources and Well-being Grant . It aims to increase the well-being of people, biodiversity and the environment, throughout Wales, using three interconnected work packages: Inspiring Spaces, Grasslands for Life and Plants for People.

Postcode Lottery Fund– This project delivers therapeutic day care for young people in South Wales who have eating disorders and related co-morbidities, especially anxiety. A component of this is a parental support group that meet to address prime carer issues.

Sustainable Management Scheme – This is a Welsh Government Rural Communities – Rural Development Programme 2014 – 2020 funded project . Known as the Dyffryn Tywi – Tirwedd Hanes Ein Bro project it aims to establish a strategic, landscape-scale collaborative approach to sustainable management of the historic landscape character of the Tywi Valley. It will establish interventions and measures to increase the resilience of the Tywi Valley's ecosystems, which will deliver measurable socio-economic benefits to the Valley's residents and businesses, build a circular economy and contribute significantly to the well-being of local and national communities.

Coronavirus Job Retention Scheme – The Charity received support under this scheme to meet the costs of wages & salaries of those employees furloughed following a reduction in operations due to the impact of the coronavirus pandemic.

IMS – The Waterloo Foundation granted a sum to help fund the implementation of a customer relationship management (CRM) system.

Heritage Lottery Emergency Covid 19 Fund – This grant was awarded to meet emergency costs of operating during the Covid 19 pandemic and covered a proportion of ongoing staff costs, professional fees, repair & conservation work including equipment and materials.

Transfers – relate to capital movement on the fixed asset fund comprising restricted fund capital expenditure and other items allocated to unrestricted funds.

THE NATIONAL BOTANIC GARDEN OF WALES
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19. RESTRICTED FUNDS (continued)

Previous year

| | Balance at 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | Balance at 31 March 2020 £ |
|--|------------------------------------|------------------|--------------------|-----------------|-------------------------------------|
| <u>Group and charity</u> | | | | | |
| Fixed Asset Fund | 20,443,181 | 95,000 | (975,532) | 2,077,861 | 21,640,510 |
| Growing the Future | 457,753 | 710,199 | (667,879) | (37,066) | 463,007 |
| Regency Restoration | 44,577 | 2,419,747 | (291,870) | (2,013,554) | 158,900 |
| Apprenticeship Scheme | 106,126 | 75,000 | (49,604) | - | 131,522 |
| Penny David Mycology Fund | 1,800 | - | - | (1,800) | - |
| The Waterloo Foundation / Borneo | 7,951 | - | (5,686) | - | 2,265 |
| Professor D Morgan | 896 | - | - | (896) | - |
| Institute of Physics | 264 | - | - | (264) | - |
| Welsh Government - Sundry | 2,750 | - | - | - | 2,750 |
| National Lottery Awards for All Wales | 7,842 | - | (6,624) | (1,218) | - |
| Japanese Garden Restoration | (17,192) | 21,460 | (2,713) | (1,555) | - |
| Feasibility Studies | (15,713) | 42,931 | (28,149) | 931 | - |
| Caru Natur Cymru'/Biophilic Wales Project | - | 232,561 | (222,344) | (10,217) | - |
| Postcode Lottery | - | 18,480 | (10) | - | 18,470 |
| Sustainable management scheme | - | 165,036 | (35,346) | (25,292) | 104,398 |
| | <u>21,040,235</u> | <u>3,780,414</u> | <u>(2,288,547)</u> | <u>(10,280)</u> | <u>22,521,822</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
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20. UNRESTRICTED FUNDS

| | Balance at 1 April 2020 | Income | Expenditure | Transfers | Balance at 31 March 2021 |
|----------------------------|-------------------------------|------------------|--------------------|-----------------|--------------------------------|
| <u>Group</u> | £ | £ | £ | £ | £ |
| General unrestricted funds | 3,164,896 | 2,346,837 | (1,676,139) | (10,971) | 3,824,623 |
| | <u>3,164,896</u> | <u>2,346,837</u> | <u>(1,676,139)</u> | <u>(10,971)</u> | <u>3,824,623</u> |
| <u>Charity</u> | | | | | |
| General unrestricted funds | 3,156,718 | 1,918,577 | (1,248,514) | (10,971) | 3,815,810 |
| | <u>3,156,718</u> | <u>1,918,577</u> | <u>(1,248,514)</u> | <u>(10,971)</u> | <u>3,815,810</u> |
| <u>Previous year</u> | | | | | |
| | Balance at 1 April 2019 | Income | Expenditure | Transfers | Balance at 31 March 2020 |
| <u>Group</u> | £ | £ | £ | £ | £ |
| General unrestricted funds | 3,036,345 | 2,652,358 | (2,534,087) | 10,280 | 3,164,896 |
| | <u>3,036,345</u> | <u>2,652,358</u> | <u>(2,534,087)</u> | <u>10,280</u> | <u>3,164,896</u> |
| <u>Charity</u> | | | | | |
| General unrestricted funds | 3,029,260 | 1,805,013 | (1,687,835) | 10,280 | 3,156,718 |
| | <u>3,029,260</u> | <u>1,805,013</u> | <u>(1,687,835)</u> | <u>10,280</u> | <u>3,156,718</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
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FOR THE YEAR ENDED 31 MARCH 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ |
|---------------------------------|----------------------------|--------------------------|--------------------|
| <u>Group</u> | | | |
| Fixed assets | 4,514,204 | 21,746,832 | 26,261,036 |
| Net current assets | 759,104 | 738,300 | 1,497,404 |
| Long term liabilities | (1,448,685) | - | (1,448,685) |
| | <u>3,824,623</u> | <u>22,485,132</u> | <u>26,309,755</u> |
| <u>Charity</u> | | | |
| Fixed assets | 4,505,437 | 21,746,832 | 26,252,269 |
| Investments | 1 | - | 1 |
| Net current assets | 759,057 | 738,300 | 1,497,357 |
| Long term liabilities | (1,448,685) | - | (1,448,685) |
| | <u>3,815,810</u> | <u>22,485,132</u> | <u>26,300,942</u> |
| <u>Previous year</u> | | | |
| | Unrestricted funds £ | Restricted funds £ | Total 2020 £ |
| <u>Group</u> | | | |
| Fixed assets | 4,474,781 | 21,640,510 | 26,115,291 |
| Net current assets | 130,030 | 881,312 | 1,011,342 |
| Long term liabilities | (1,439,915) | - | (1,439,915) |
| | <u>3,164,896</u> | <u>22,521,822</u> | <u>25,686,718</u> |
| <u>Charity</u> | | | |
| Fixed assets | 4,466,603 | 21,640,510 | 26,107,113 |
| Investments | 1 | - | 1 |
| Net current assets | 130,029 | 881,312 | 1,012,435 |
| Long term liabilities | (1,439,915) | - | (1,439,915) |
| | <u>3,157,812</u> | <u>22,521,822</u> | <u>25,679,634</u> |

22. ULTIMATE CONTROLLING PARTY

The charity is under the control of its legal members.

Every member of the charity is obliged to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

**THE NATIONAL BOTANIC GARDEN OF WALES,
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23. OPERATING LEASE COMMITMENTS

The following operating leases were in place as at 31 March 2021:

| <u>Group</u> | Total 2021 £ | Total 2020 £ |
|--------------------------|-----------------------------|-----------------------------|
| Within one year | 11,175 | 10,140 |
| Within two to five years | 16,835 | 18,649 |
| | <u>28,010</u> | <u>28,789</u> |
| <u>Charity</u> | | |
| Within one year | 5,474 | 4,848 |
| Within two to five years | 669 | 4,416 |
| | <u>6,143</u> | <u>9,264</u> |

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| <u>Group</u> | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Net income for the reporting period | 623,037 | 1,610,138 |
| <i>Adjustments for:</i> | | |
| Depreciation charges | 979,477 | 970,799 |
| Loss/(gain) on disposal | 3,550 | 52,710 |
| (Increase) / decrease in stocks | 7,846 | (10,812) |
| (Increase) / decrease in debtors | 303,283 | (606,398) |
| Decrease in creditors | (119,246) | 246,638 |
| Dividends, interest and rents from investments | (3,135) | (4,625) |
| Net cash provided by operating activities | <u>1,794,812</u> | <u>2,258,450</u> |
| <u>Analysis of Cash and Cash Equivalents</u> | | |
| Cash in hand | <u>1,424,911</u> | <u>758,966</u> |
| Total Cash and Cash Equivalents | <u>1,424,911</u> | <u>758,966</u> |

Analysis of changes in net funds

| | At 1 April 2020 £ | New finance £ | Cash flows £ | As at 31 March 2021 £ |
|---|----------------------------------|------------------------------|-----------------------------|--------------------------------------|
| Cash | 758,966 | - | 665,945 | 1,424,911 |
| Loans falling due within one year | (37,460) | (3,000) | 15,000 | (25,460) |
| Loans falling due after more than one year | (1,439,915) | - | (8,770) | (1,448,685) |
| | <u>(718,409)</u> | <u>(3,000)</u> | <u>672,175</u> | <u>(49,234)</u> |

THE NATIONAL BOTANIC GARDEN OF WALES
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25. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | Total funds 2020 £ |
|------------------------------------|----------------------------|--------------------------|-----------------------------|
| Income and endowments from: | | | |
| Donations and legacies | 721,275 | 709,198 | 1,430,473 |
| Charitable activities | 951,129 | 3,068,518 | 4,019,647 |
| Investment income | 4,625 | - | 4,625 |
| Other trading activities | 975,329 | 2,698 | 978,027 |
| Total income and endowments | 2,652,358 | 3,780,414 | 6,432,772 |
| Expenditure on: | | | |
| Raising funds | 917,997 | - | 917,997 |
| Charitable activities | 1,616,090 | 2,288,547 | 3,904,637 |
| Total expenditure | 2,534,087 | 2,288,547 | 4,822,634 |
| Net income/(expenditure) | 118,271 | 1,491,867 | 1,610,138 |
| Transfers between funds | 10,280 | (10,280) | - |
| Net movement in funds | 128,551 | 1,481,587 | 1,610,138 |
| Reconciliation of Funds | | | |
| Total funds brought forward | 3,036,345 | 21,040,235 | 24,076,580 |
| Total funds carried forward | 3,164,896 | 22,521,822 | 25,686,718 |

26. RESULTS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial period was £622,447 (2020: surplus of £1,609,043).