

Registration No 2798886

# **RBG KEW ENTERPRISES LIMITED**

## **Report and Financial Statements**

**31 March 2023**

TUESDAY



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**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 2023**

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**REPORT AND FINANCIAL STATEMENTS**  
**31 March 2023**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Judith Batchelar  
Sandra Botterell  
Richard Deverell  
Sarah Flannigan  
Meredith Pierce Hunter (until 12 May 2023)  
Fern Stoner  
Adam Thow

**SECRETARY**

Rachel Pan

**REGISTERED OFFICE**

Royal Botanic Gardens, Kew  
Richmond  
England  
TW9 3AE

**BANKERS**

Lloyds Banking Group  
4th Floor,  
25 Gresham Street  
London  
EC2V 7HN

**AUDITORS**

Haysmacintyre LLP  
10 Queen Street Place  
London  
EC4R 1AG

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2023.

### **BUSINESS REVIEW**

#### **ACTIVITIES**

The company's main activities are the provision of fundraising services, and retailing and commercial development which includes concerts, licensing, events and venue hire at Royal Botanic Gardens, Kew ("RBG Kew") sites at Kew Gardens and Wakehurst. The licensing business gives rise to royalties based on product sales volumes by third party partners and these are included in Other Operating Income (Note 3).

Fundraising services are provided by RBG Kew Enterprises, primarily to RBG Kew but also to the Foundation and Friends of RBG Kew and are recharged at cost in line with the relevant service level agreements. RBG Kew Enterprises receives income in relation to corporate memberships and sponsorships and associated costs.

RBG Kew Enterprises also generates income through the Commercial Innovation Unit (CIU) (formerly the Commercial Phytochemistry Unit), which charges fees for services relating to the authentication of botanical extracts for commercial use and undertaking commercial research.

The company's visitor-facing activities are continuing to recover following the COVID-19 coronavirus pandemic which led to the closure of Kew Gardens and Wakehurst and associated retail facilities in 2020-21. Income is subsequently higher, including record sales for Christmas at Kew light trail event. Enterprises' licensing and corporate membership income continued to perform well and grew year on year.

During the year a new retail system went live as part of an ongoing programme by RBG Kew to improve the customer experience. The next phase of the project is to implement a new CRM system, and following a review to understand the optimal structure for future operations a restructure of teams has been undertaken, with the membership, insight & data management, CRM and marketing teams moving to RBG Kew (effective from May 2023).

#### **RESULTS AND GIFT AID PAYMENT**

The key performance indicators by which the company measures its success are its total turnover and the level of net profit which it is able to gift to RBG Kew. In this financial year, total turnover of £22,426k (2021-22 £21,136k) was achieved, with a gross profit of £17,706k (2021-22 £16,990k). Turnover comprised commercial sales of £17,983k (2021-22 £16,419k), recharges for fundraising services of £3,571k (2021-22 £3,931k), and other fundraised income, primarily corporate memberships, of £725k (2021-22 £639k). Fee income received for authentication services and commercial research was £147k (2021-22 £147k).

The increase in turnover reflects the continued recovery following the COVID-19 pandemic, with higher visitor numbers compared to prior year reflected in retail and commercial event income. The commercial division achieved a gross profit margin of 74% (2021-22 75%). Fundraising is almost entirely recharged, at cost, to RBG Kew or the Foundation & Friends of RBG Kew and as such there is minimal profit or loss left within RBG Kew Enterprises Ltd.

The company also generated other operating income of £4,195k (2021-22 £3,816k)

The company made a profit after taxation and before a Gift Aid payment of £8,144k (2021-22 £8,183k). Gift Aid of £8,144k (2021-22: £8,183k) was payable to RBG Kew.

In accordance with the Company's Articles of Association, RBG Kew Enterprises has an obligation to distribute equity through a Gift Aid payment, which is equal to distributable reserves at the time of approval of the financial statements and is payable to RBG Kew.

The Directors do not recommend the payment of a dividend.

#### **KEY BUSINESS RISKS**

The company's key identified business risks are its dependence on visitors to Kew Gardens and Wakehurst (for retail, commercial events and other commercial income), as well as the success of venue hire for events held in the gardens. Risk in these areas has reduced significantly following the lifting of restrictions in relation to the COVID-19 pandemic during 2021/22. However, visitor numbers have yet to fully recover due to the impact of the pandemic on international travel, and key business risks are identified as:

- Recovery of visitor numbers slows, reducing retail, events and other commercial income;
- Changes in visitor behaviour due to the cost-of-living crisis, reducing retail, venue hire and other commercial income

The company's response to these risks is as follows:

- A realistic budget has been set for 2023-24 that reflects flat visitor numbers;
- Regular forecasts will continue to be undertaken through the coming year to revise budget and cashflow assumptions as necessary. This will ensure additional risks are identified as they arise and allow mitigating actions including further cost reductions to be implemented as required.

In addition, other non-visitor-related income streams (including licensing income, e-commerce income and recharge of fundraising services) are not reliant on visitor numbers and continue to provide some assurance of the company's financial resilience in the face of the identified risks.

#### **FUTURE PROSPECTS**

The company sees opportunity to further develop income from non-visitor and non-event income. The company has a very successful trademark licensing partnership with Procter & Gamble and is exploring opportunities to further grow this income stream. This work is supported by the Enterprises' Commercial Innovation Unit which will also look to grow income from its authentication and commercial research activities. In addition, the company has entered into a partnership Gaia Science Innovation (a company set up by Greensphere Capital LLP), to commercialise Science opportunities through spin-outs, with the first one scheduled to launch in 2023-24.

## **DIRECTORS' REPORT GOING CONCERN**

The Directors have reviewed the appropriateness of preparing these accounts on a going concern basis, particularly in light of the financial risks and uncertainties outlined in this report and following on from the COVID-19 pandemic. The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Company's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Company has prepared the accounts on a going concern basis.

To reach this assessment, the Directors have considered the impact on income as reflected in Enterprises' 2023-24 budget. This includes an expectation of stable visitor numbers in the year, with pre-pandemic levels achieved by 2026-27. The Directors recognise the uncertainty and risk inherent in these projections, and believe the 2022-23 performance, together with the lower risk commercial and other income streams, adequately cover the uncertainty and risk over the period of at least twelve months from the date of this report.

Performance will be closely monitored through monthly results and reforecasts, particularly with regards to visitor numbers and commercial events, identifying any further risks to the company's financial sustainability. If required, action would be taken to mitigate these additional risks, including through further cost saving measures.

## **DIRECTORS AND THEIR INTERESTS**

The following were in office during the year under review:

Judith Batchelar  
Sandra Botterell  
Richard Deverell  
Sarah Flannigan  
Meredith Pierce Hunter (until 12 May 2023)  
Fern Stoner  
Adam Thow

None of the directors had any interests in the shares of the company.

## **DISCLOSURE OF INFORMATION TO THE AUDITORS**

Each of the directors has confirmed that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **FINANCIAL INSTRUMENTS**

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk. Liquidity risk is managed through budgets, regular forecasts and an assessment of any impact to the company's cashflow. Based on current forecasts, the company considers existing cash reserves to be sufficient to meet its short-term commitments.

## **PAYMENT TO CREDITORS**

It is RBG Kew Enterprises' policy to settle all debts with its creditors within 30 days unless otherwise specified in the contract. Creditor days for 2022-23 are calculated to be 30 days (2021-22 30 days).

## **AUDITORS**

Haysm McIntyre LLP were appointed as Auditor by the Board in October 2021.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), Financial Reporting Standard 102 and in compliance with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



Richard Deverell  
Director

28 June 2023

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBG KEW ENTERPRISES LIMITED

### Opinion

We have audited the financial statements of RBG Kew, Enterprises Limited (the 'company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit 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 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 director's 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 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 directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

- the information given in the 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 the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors 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 directors 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

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

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing the minutes of directors' meetings held during the year;
- Reviewing the terms and conditions of significant royalty agreements to validate revenue and revenue recognition and cut-off;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and

- Challenging assumptions and judgements made by management in their critical accounting estimates

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver  
(Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 30 June 2023

10 Queen Street Place  
London  
EC4R 1AG

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2023**

	Notes	2022-23 £'000	2021-22 restated £'000
Turnover	2	22,426	21,136
Cost of sales		(4,720)	(4,146)
<b>GROSS PROFIT</b>		<b>17,706</b>	<b>16,990</b>
Administrative expenses		(13,777)	(12,624)
Other operating income	3	4,195	3,816
<b>OPERATING PROFIT</b>	5	<b>8,124</b>	<b>8,182</b>
Interest receivable		20	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>8,144</b>	<b>8,182</b>
Taxation for the financial year	11	-	1
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>8,144</b>	<b>8,183</b>

All activities arise from continuing operations.

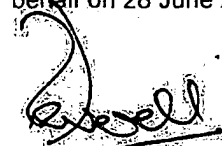
There are no gains or losses other than the profit for the year and consequently no Statement of Other Comprehensive Income has been prepared.

The notes on pages 13 to 18 form part of these financial statements.

**BALANCE SHEET**  
**31 March 2023**

	Notes	2022-23 £'000	2021-22 £'000
<b>FIXED ASSETS</b>			
Investments	6	-	-
<b>CURRENT ASSETS</b>			
Stocks: goods for sale	7	1,167	885
Debtors	8	5,674	6,173
Cash at bank and in hand		8,615	7,440
		<u>15,456</u>	<u>14,498</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(15,131)</u>	<u>(14,173)</u>
<b>NET CURRENT ASSETS</b>		<u>325</u>	<u>325</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>325</u>	<u>325</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	325	325
Profit and loss account		-	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>325</u>	<u>325</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 June 2023:



Richard Deverell  
Director

The notes on pages 13 to 18 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
**31 March 2023**

	Profit and loss account £'000	Share capital £'000	Total £'000
AT 1 APRIL 2021	-	325	325
Profit for the financial year	8,183	-	8,183
Amount to be distributed under Gift Aid	(8,183)	-	(8,183)
AT 31 MARCH 2022	-	325	325
AT 1 APRIL 2022	-	325	325
Profit for the financial year	8,144	-	8,144
Amount to be distributed under Gift Aid	(8,144)	-	(8,144)
AT 31 MARCH 2023	-	325	325

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2023**

**1. ACCOUNTING POLICIES**

**General information**

The company is a private company registered in the United Kingdom and is limited by shares. It is a wholly owned trading subsidiary of Royal Botanic Gardens, Kew. The address of its registered office is Royal Botanic Gardens, Kew, Richmond, Surrey, TW9 3AB.

The financial statements are prepared on the going concern basis in accordance with Financial Reporting Standard 102 and in compliance with the Companies Act 2006. The particular accounting policies adopted are described below.

**Going concern**

The Directors have reviewed the appropriateness of preparing these accounts on a going concern basis, particularly in light of the financial risks and uncertainties outlined in this report. The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Company's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, as detailed in the Directors' Report on page 4, the Company has prepared the accounts on a going concern basis.

**Accounting convention**

The financial statements are prepared under the historical cost convention. The functional and presentational currency of the company is Sterling (£).

**Turnover and revenue recognition**

Revenue is recognised at the point of sale of goods, or point of delivery of services, and is measured at the fair value of the consideration received.

Turnover includes retail sales of merchandise and souvenirs relating to Royal Botanic Gardens, Kew net of trade discounts and value added tax.

Income from government grants comprises receipts through the Government's Coronavirus Job Retention Scheme which is recognised on a performance basis in line with when the related salary expenditure of furloughed staff is incurred, and in compliance with the conditions attached to the Scheme.

Fundraising services are recharged at the cost to the business. Corporate memberships are included in turnover to the extent that RBG Kew Enterprises Ltd have provided the associated services. Where the service has not been provided the income is deferred.

Other commercial income, including the Commercial Innovation Unit (CIU), represents amounts receivable for goods and services provided in the normal course of business net of trade discounts and value added tax. Turnover is deferred where income is received in advance of performance of services and accrued where entitlement has occurred before the income has been received.

**Investments**

Investments are stated at current market value at the balance sheet date unless this cannot be measured reliably in which case it is measured at cost less impairment.

**Stock and cost of sales**

Stock is stated at the lower of cost and net realisable value on a weighted average basis. Provision is made for slow moving items where appropriate. Cost of sales represents the direct costs involved in the sale of retail products and direct expenditure in relation to events.

**Administrative expenses**

Administrative expenses include a management charge from the parent entity, operating, administrative, marketing and other costs associated with trading activities.

The management charge represents apportioned costs for staff and services provided to Enterprises.

**Leases/ Hire policy**

RBG Kew Enterprises Ltd has no finance leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

**Fixed assets**

Capital items costing less than £5k are written off in the year of purchase. All other capital expenditure is capitalised as fixed assets.

**Foreign currencies**

Transactions in foreign currencies are translated at the exchange rates ruling at the date of the transaction. Assets and liabilities are translated at the year-end exchange rate.

**Cash flow statement**

The company is a 100% owned subsidiary of the Royal Botanic Gardens, Kew and has availed itself of the exemption under Financial Reporting Standard 102 section 1.12(b) not to prepare a cash flow statement.

**Pensions**

RBG Kew Enterprises operates a Group Personal Pension Plan for its employees, which is a defined contribution scheme. It made pension contributions of £457k to this scheme during the year. 221 staff were members of the defined contribution scheme at 31 March 2023.

Pension costs are charged to the profit and loss account as incurred.

**Gift Aid**

Distribution of equity through a Gift Aid payment is equal to distributable reserves at the time of approval of the financial statements and is payable to Royal Botanic Gardens, Kew in accordance with the Company's Articles of Association.

**Taxation**

The Royal Botanic Gardens, Kew and RBG Kew Enterprises Limited are group registered for VAT purposes and are able to recover part of their input VAT and all VAT balances are processed through RBG Kew. Taxable profits are payable to the Royal Botanic Gardens, Kew under Gift Aid and consequently there is minimal corporation tax payable.

**Critical judgements and estimates**

The company makes estimates on the value of income and expenditure to be realised in the future based on historical information and other factors including expectations of future events. Key estimates relate to recoverability of debt, and income and expenditure accruals. Differences between estimates and actual realised values are recognised to income and expenditure in subsequent periods.

**Financial instruments**

RBG Kew Enterprises Ltd has financial instruments comprising cash, trade debtors and creditors and other receivables and payables, which are measured initially at fair value and subsequently at amortised cost. Provisions are made against receivable balances where risk in realising their fair value is identified.

## 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. All turnover arises in the United Kingdom. Other turnover mainly relates to concerts, licensing and venue hire.

	2022-23	2021-22
	£'000	£'000
Retail	6,107	5,663
Fundraising services and other income	4,296	4,570
Events and venue hire	10,001	9,236
Other commercial	1,875	1,520
Fees for authentication services	147	147
	<u>22,426</u>	<u>21,136</u>

## 3. OTHER OPERATING INCOME

	2022-23	2021-22
	£'000	£'000
Royalties	3,562	3,230
Income from government grants	0	26
Other sponsorship	633	560
	<u>4,195</u>	<u>3,816</u>

Income from government grants represents income received under the Government's Coronavirus Job Retention Scheme for staff furloughed in response to the COVID-19 pandemic.

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

### Directors' emoluments

Sandra Botterell is an employee of RBG Kew Enterprises. RBG Kew funds 50% of her remuneration and pension.

Meredith Pierce Hunter is also an employee of RBG Kew Enterprises. The company funds 100% of her remuneration.

Adam Thow is also an employee of RBG Kew Enterprises. The company funds 100% of his remuneration.

Richard Deverell is an employee of RBG Kew. RBG Kew Enterprises pays Richard for fundraising services amounting to £20,000 in 2022-23 (2021-22 £20,000) on a fee paid basis and as such is not eligible for a bonus.

They are all members of the company's group personal pension plan and all are entitled to a bonus, with the exception of Richard Deverell due to his fee paid status.

The remuneration and pension contributions payable to Sandra Botterell, Meredith Pierce Hunter, Adam Thow and Richard Deverell by the company were as follows:



	Remuneration		Pension		National Insurance	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	£000	£000	£000	£000	£000	£000
Sandra Botterell	72	68	7	7	11	9
Meredith Pierce Hunter	137	131	11	10	19	17
Richard Deverell	20	20			1	1
Adam Thow	83	73	7	6	12	9
	<u>312</u>	<u>292</u>	<u>25</u>	<u>23</u>	<u>43</u>	<u>36</u>

1. Annual equivalent salary £157,800 bonus £14,346 (2021-22: £149,093 including bonus of £13,794). RBG Kew Enterprises funds 50% with RBG Kew funding the remaining 50%.

No other directors received any fees or other emoluments from the company during the period. Post holders do not receive any benefits provided by the employer that would be treated as a taxable emolument by HM Revenue & Customs.

Key management personnel are made up of the Directors as detailed above.

#### Staff costs

Some staff are directly employed by the company and some are seconded from the Royal Botanic Gardens, Kew. The amounts relating to seconded employees, included in the costs below, are £591k (2021-22: £586k). Their aggregate remuneration comprised:

	2022-23	2021-22
	£'000	£'000
Wages and salaries	5,439	5,046
Social security costs	556	467
	<u>5,995</u>	<u>5,513</u>
Pension costs	457	437
	<u>6,452</u>	<u>5,950</u>
Pay redundancy costs	155	92
	<u>6,607</u>	<u>6,042</u>

The average monthly number of employees during the year, full time equivalents (FTE), analysed by function:

	2022-23	2021-22
	FTE	FTE
Retailing	36	38
Fundraising	59	57
Other	54	48
	<u>149</u>	<u>144</u>

The average number of employees for the year, including part-time and staff on zero-hour contracts was 221 (2021-22: 209).

The company subscribes to a group personal pension plans for its staff, which is a defined contribution scheme.

#### 5. OPERATING PROFIT

Operating profit is after charging:

	2022-23	2021-22
	£'000	£'000
Hire of equipment	300	495
Auditors' remuneration (audit of financial statements) <sup>1</sup>	26	22

1. Corporation tax services of £1k (2021-22: £nil) were provided by the auditors during the year.

**6. INVESTMENTS**

	2022-23	2021-22
	£'000	£'000
Ordinary share capital – Polypharmakos Limited	-	-

On 3 January 2017, RBG Kew Enterprises exercised its option to acquire 2,113 ordinary shares in the share capital of Polypharmakos Limited at a price of £0.01 per share. The total cost was £21.13. The shares have no market value and have therefore been valued at cost. RBG Kew Enterprises and Royal Botanic Gardens, Kew continue to work with Polypharmakos Limited to undertake scientific research, the shareholding represents a 7% share (2022: 10%) following investment by new investors in 2022-23.

In July 2022, RBG Kew Enterprises entered into an agreement with Gaia Sciences and Innovation Limited (a company set up by Greensphere Capital LLP), for the right of first refusal to invest in spin-out opportunities commercialising science research. As at 31 March 2023 no new joint ventures have been created.

**7. STOCKS**

	2022-23	2021-22
	£'000	£'000
Opening balance as at 1 April	885	932
Purchases	3,258	2,764
Cost of goods sold	(2,976)	(2,811)
Closing balance as at 31 March	1,167	885

**8. DEBTORS**

	2022-23	2021-22
	£'000	£'000
Trade debtors – gross	611	891
Less: provision for bad debts	(49)	(74)
Amounts owed from parent	3,571	3,946
Prepayments and accrued income	1,538	1,408
Other debtors	3	2
	5,674	6,173

**9. CREDITORS**

	2022-23	2021-22
	£'000	£'000
Trade creditors	950	298
Amounts owed to parent undertaking	10,774	9,715
Other creditors including tax and social security	192	194
Accruals and deferred income	3,215	3,966
	15,131	14,173

The majority of the amounts owed to the parent undertaking relates to the Gift Aid payment, management charges and transfers of VAT relating to the group registration. These amounts will be paid to Kew in 2023.

**10. CALLED UP SHARE CAPITAL**

	2022-23 £'000	2021-22 £'000
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50	50
275,000 redeemable ordinary shares of £1 each	275	275
	<u>325</u>	<u>325</u>

The redeemable ordinary shares are redeemable at any time at an unspecified price at the instigation of the company. It is not the intention of the company to instigate redemption in the foreseeable future.

**11. TAX ON PROFIT ON ORDINARY ACTIVITIES**

Taxable profits are payable to Royal Botanic Gardens, Kew under Gift Aid and hence, there is no corporation tax or minimal corporation tax payable.

**12. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 102, section 33.1(a) and does not disclose details of transactions with its parent undertaking.

The Foundation and Friends of RBG Kew is consolidated into the RBG Kew group accounts as an associate. RBG Kew Enterprises provides legacy fundraising services and services to support the management of grants and investments to the Foundation. RBG Kew Enterprises made charges for fundraising services to the Foundation in 2022-23 totalling £285k (2021-22: £256k). During the year RBG Kew Enterprises Ltd made payments to the Foundation of £nil (2021-22: £nil) and received payments of £256k (2021-22: £216k).

The balance owed to the Foundation at 31 March 2023 is £nil (2022: £nil), and the balance owed to Enterprises by the Foundation at 31 March 2023 is £285k (2022: £256k).

**13. ULTIMATE PARENT UNDERTAKING**

The company is wholly owned by the Royal Botanic Gardens, Kew, whose principal place of business is Royal Botanic Gardens, Kew, Richmond, Surrey, TW9 3AB. The Royal Botanic Gardens, Kew is an exempt charity and a Non Departmental Public Body under the Department for Environment, Food and Rural Affairs. Copies of group accounts can be obtained from the Royal Botanic Gardens, Kew.

**14. POST BALANCE SHEET EVENTS**

The Directors have monitored events after the Balance Sheet date and do not believe there have been any events which impact the values stated in these accounts or require any additional disclosure.

**15. PRIOR PERIOD ADJUSTMENT**

The profit and loss account has been restated due to the reclassification of expenditure from distribution costs to administrative costs. There is no impact on the Balance Sheet or reserves.

