

**The National Botanic Garden of Wales (Limited by  
Guarantee)**

**Trustees' report and consolidated  
financial statements**

Registered company number 2909098

Registered charity number 1036354

31 March 2008

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## Trustees' Report

The Trustees, who act as Directors for the purposes of company law, have pleasure in submitting their annual report and the audited financial statements of the group and the charitable company for the year ended 31 March 2008.

### Reference and administration

#### Board of Trustees

|  | Audit<br>Committee | Nominations<br>Committee | Remuneration<br>Committee |
|--|--------------------|--------------------------|---------------------------|
| JG Ellis   |                    |                          | X                         |
| RAW Goodman (resigned 3 January 2008)            |                    | X                        |                           |
| Councillor J C Howells                           | X                  |                          |                           |
| RH Jolliffe (Chairman from 18 February 2008)     | X                  | X                        | X                         |
| Sir Roger Jones, OBE                             | X                  |                          |                           |
| Hon. RW Lewis OBE (Chairman to 18 February 2008) | X                  | X                        | X                         |
| Camilla Swift (appointed 21 January 2008)        |                    | X                        |                           |
| Heather Stevens (appointed 18 February 2008)     |                    | X                        |                           |

X = denotes those who sit on each Committee.

#### Company Secretary

G James

#### Executive Management Team

|           |   |   |
|-----------|---|---|
| K Lamb    | - | Director of the Garden                            |
| G James   | - | Chief Finance Officer/Secretary to the Board      |
| R Butt    | - | Head of Operations (to 23 October 2007)           |
| D Hardy   | - | Head of Marketing and Communications              |
| T Roach   | - | Head of Education & Interpretation                |
| T Bevan   | - | Head of National Nature Reserve                   |
| L Davies  | - | Head of Horticulture (Outdoor)                    |
| J Gould   | - | Head of Horticulture (Indoor)                     |
| T Oakley  | - | Head of Commercial Development (from 7 July 2008) |
| C Edwards | - | Head of Facilities                                |
| N De Vere | - | Head of Science & Research                        |

## **Trustees' Report** *(continued)*

### **Reference and administration (continued)**

#### **Registered office**

Middleton Hall  
Llanarthne  
Carmarthenshire  
SA32 8HG

#### **Auditors**

KPMG LLP  
Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF24 0TE

#### **Bankers**

Bank of Scotland plc  
One Kingsway  
Cardiff  
CF10 3YB

Since the year end the bankers have changed to:

The Royal Bank of Scotland  
The Quadrangle  
The Promenade  
Cheltenham  
GL50 1PX

#### **Solicitors**

Edwards Geldard  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

#### **Enquiries**

Enquiries should be addressed to the Company Secretary at the company's registered office:

Telephone: (01558) 668768  
Facsimile: (01558) 668933

## **Trustees' Report *(continued)***

### **Objectives**

The objectives for which the Charity is established are:

- to create and develop a botanic garden of international importance for Wales;
- to promote the conservation of plant species and especially those of Wales, the United Kingdom and the Western European seaboard;
- to become a leading international centre for research and education in the science of plants.

The aims of the Charity are entirely consistent with the delivery of its objectives, meeting an internationally recognised need for the conservation of plants. The charity seeks to make an important contribution to the global effort to conserve our biodiversity for the benefit of the general public.

The main objectives for the year were:

- To further improve the finances of the charity through increased income generation and fundraising;
- To further enhance the botanic garden through quality horticulture, new projects and maintenance;
- To continue to develop our marketing, promotion, education and conservation activities;
- To retain, recruit, develop and invest in high calibre staff, volunteers, trustees and members.

The charity's strategies for delivering its objectives are agreed by the board and are encompassed within a five-year plan, agreed through consultation with major stakeholders providing a framework for the major activities of the Charity. Detailed strategies are regularly produced and reviewed by the board for specific areas within this framework, for example education and science strategies and marketing and membership plans.

### **Policies**

The Board seeks to realise its objectives through:

- producing a botanic garden with the content and facilities to inspire everyone associated with the Garden and all visitors to the Garden;
- applying appropriate design principles and adopting best quality practices in all aspects of the Garden's development and operation;
- applying an innovative and flexible approach;
- establishing and developing strong relations with scientific and educational bodies to agree common goals and appropriate science and education policies for the Garden;
- recruiting a flexible and multi skilled workforce dedicated to the success of the Garden.

### **Review of activities, achievements and performance**

During the year the charity continued to deliver its policies and progress its objectives building on the achievements of the previous year. The key performance measures as set out in the strategic plan were met. The Garden welcomed 160,000 visitors and financial targets were met or exceeded, with income generation increased. There was no material expenditure on fundraising with either professional external fundraisers or commercial participants. Improvements were made in the turnover levels of the Garden, for example catering and corporate functions, although improvement in profit margins remains a challenge. Further details of the financial performance for the year and the year end position are set out below.

## **Trustees' Report** *(continued)*

### **Review of activities, achievements and performance (continued)**

Progress continued to be made in the Garden with the standard of horticultural displays enhanced and the plant collections further expanded, already becoming the fifth largest provenanced collection in the UK. Work continued on the restoration of the double walled garden, with the Tropical House opened in July 2007, forming part of the Phase IV capital works funded by the Millennium Commission and landfill tax credit scheme. Improvements to the interpretation, infrastructure and visitor experience of the Garden were undertaken. A key project - the restoration of the lakes was commenced. The Garden also negotiated the declaration of the Estate lands as a National Nature Reserve.

An active and effective marketing, promotion and communications campaign was undertaken with an emphasis on partnership marketing, working closely with a number of organisations including other visitor attractions, Carmarthenshire County Council, Welsh Assembly Government, the Big Lottery, South West Wales Tourism Partnership and Carmarthenshire Tourist Association. We are grateful to these organisations for their support.

The life long learning education programme continued to be delivered with strengthened partnerships with education providers including schools, LEA's, higher and further education institutions with usage exceeding forecast. Many key policy objectives of stakeholders e.g. Tir Gofal, Biodiversity Action Plans etc continued to be delivered with NBGW working with a number of scientific, conservation and environmental organisations ensuring NBGW continues to progress its charitable objectives. The conservation research programme was recommenced.

The membership scheme of the Garden was enhanced with improved service and numbers of members recruited increasing ahead of targets. Further recruitment of board members as detailed elsewhere has been undertaken and the executive team further strengthened through the appointment of a Head of Science and Research.

The charity works in close partnership with a number of stakeholders and funders in an open and transparent manner meeting and providing reports regularly to ensure that we respond to needs and ensure an active input into the charity's development. Feedback from users (visitors, educational users etc) is sought via formal processes and monitored. The charity also strives to work closely with the local community, for which a liaison group is in place, and with the education, science, environmental and conservation community worldwide.

The charitable company's subsidiary undertaking, Middleton Garden Limited, has carried out trading activities in the year. Activities comprised the operation of a shop and catering in the botanic garden and the operation of plant sales.

### **Future plans**

The charity plans to build on its achievements to date and continue to work in line with its policies, objectives and plans which have been agreed with major stakeholders. The aims, objectives and activities planned to achieve them are set out in detail in a corporate plan and are consistent with those for 2007/08 whilst continuing to strive to improve performance, efficiency and delivery.

The key objectives for 2008-09 are to further improve the financial position of the charity and to enhance and develop the garden. The key targets within those objectives are:

## **Trustees' Report** *(continued)*

### **Future plans** *(continued)*

#### *The improvement of the financial position*

- Increase in visitor numbers by 2.7% over 2007-8
- Improvements in contributions from merchandising and catering
- Obtaining additional revenue grants

#### *Enhancement of the garden*

- Continuation of the restoration of the lakes
- Development of the estate land as a nature reserve

### **Financial position**

In the period since the date of the approval of the last Trustees' report and consolidated financial statements, the National Assembly for Wales announced a funding package in a public announcement in February 2008. This consisted of two elements – an immediate funding of £1.9m towards the bank overdraft and £550,000 per annum for three years commencing 1 April 2008.

Expenditure has only been made in the furtherance of the objectives of the charity. £2.1m was received from the Welsh Assembly Government during the year. We are grateful to our stakeholders for their continuing active support.

In the year, total resources of £5.4m (2007: £3.2m) were received comprising £4.8m (2007: £2.6m) of unrestricted funds and £0.6m (2007: £0.6m) of restricted income. £0.5m (2007: £0.4m) was received from the Millennium Commission under formal deed of grant and the balance of restricted income funds represented funding from public and private sources.

In the year, total expended resources amounted to £4.1m (2007: £4.0m). £3.1m (2007: £2.9m) was expended from unrestricted funds leaving an unrestricted fund final balance carried forward of £3.1m (2007: £1.4m). £1.0m (2007: £1.0m) was expended from restricted income funds leaving a restricted income funds balance carried forward of £22.7m (2007: £23.1m). Total funds balances at 31 March 2008 were £27.3m (2006: £26.0m) including restricted capital funds of £1.5m (2007: £1.5m).

Tangible fixed assets at cost or valuation reduced to £30.4m (2007: £30.8m) representing £29.2m (2007: £29.6m) of project costs in the form of land, buildings, plant and machinery and assets in the course of construction and £1.2m (2007: £1.2m) in estate vehicles, fixtures and fittings, and plants and planting. At the end of the year, there were no assets in the course of construction (2007: £0.18m).

Following the year end, the group experienced significant reductions in visitor numbers compared to the year ended 31 March 2008 largely as a result of poor weather during the summer months. This has resulted in the group being significantly behind budget as a result of which the trustees have revised the budget and have completed an initial cost cutting programme. The trustees have reviewed their working capital requirements and entered into a new facility with the Royal Bank of Scotland ('RBS') which has agreed to provide an overdraft facility of £250,000 repayable on demand. The management of the Alliance and Leicester deposit (see note 11) has also been transferred to RBS which has confirmed that the deposit should be sufficient to cover the finance lease obligations set out in note 15.

## **Trustees' Report** *(continued)*

### **Reserves**

As a recently established charity, the Garden is slowly building its unrestricted reserves. The Trustees recognise the need to secure viability beyond the immediate future and to provide a sustainable operation over the longer term. A free reserve of around £2m is considered ideal to meet the needs of the charity and the trustees have instigated a five-year corporate plan to regularise the current financial position. The details of the strategic plan are set out above, under review of activities. The Garden must be capable of safeguarding against future uncertainties and influences outside its control. At the same time, it needs to take advantage of change and opportunity.

The Garden's reserves policy will be 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.

As shown above, unrestricted funds at the end of the year increased by £1.6m. These are funds which are expendable at the trustees' discretion in furtherance of the objects or administration of the Charity. Currently all reserves are invested in the infrastructure of the garden and there are no freely available reserves. However, there has been an improvement in the year, with unrestricted reserves increasing by £1.6m, and further improvements are expected in the coming year as the charity continues to implement its corporate plan.

### **Investment policy**

Details of the charity's investments are set out in note 11. The principal investment is a deposit account set aside to meet finance lease obligations. The policy of the charity is to keep these funds in a low risk investment whilst achieving a rate of deposit interest which exceeds inflation.

### **Constitution**

The National Botanic Garden of Wales is a company Limited by Guarantee, registered in Wales (no. 2909098) and a registered charity (no. 1036354). Its governing instrument is the Memorandum and Articles of Association as amended and adopted by special resolution passed on 22 February 1994. The charitable company has one wholly owned subsidiary undertaking, Middleton Garden Limited. The principal activity of Middleton Garden Limited is to undertake any non-charitable operations of the Garden.

The Board of Trustees is the governing body and oversees the implementation of the Garden's policies, considering recommendations from the management team. The company recognises the importance of effective corporate governance and has an established Audit Committee, Remuneration Committee and Nomination Committee. Membership of these committees is shown on page 1.

The Company is regarded as a Charity by HM Revenue and Customs and therefore is able to benefit from the tax exemptions afforded to charities.

### **Board of Trustees**

Members of the Board of Trustees are detailed on page 1 and their annual report contains all the information required in a Trustees' annual report in accordance with the Statement of Recommended Practice 2005: Accounting and Reporting by Charities.



## **Trustees' Report** *(continued)*

### **Recruitment of Trustees**

The Board has been strengthened, by the appointment of 2 new trustees during the year. Robin Lewis stepped down as Chairman in February 2008, with Robert Jolliffe selected as Chairman. The Board fully acknowledges and expresses its gratitude for the considerable contribution of the Chairman during his term of office in ensuring a strong platform exists for NBGW to further build on its success and develop and deliver its charitable objectives further. New trustees Camilla Swift and Heather Stevens were welcomed in the latter part of the financial year and have added to the Board's expertise in the commercial and marketing fields.

All new Trustees undertake a period of induction during which induction days are held with senior managers and board members. An induction pack is provided, including all key information, copies of the strategies, objectives and policies of NBGW and guidance notes on the roles and responsibilities of Trustees. Beyond the period of induction training opportunities are provided with Trustees encouraged to continually seek to increase their knowledge of NBGW, best practice for corporate governance and best practice adopted by similar organisations.

The Board's Nomination Committee meets to encourage and approve the appointment of new Trustees.

### **Organisation**

The Board's membership includes those with appropriate professional, business and commercial experience and knowledge of botany and horticulture. The Board is responsible for approving overall policies, plans and organisation.

In addition to the committees established for effective corporate governance, NBGW will be setting up a Fundraising Committee and various Advisory Committees.

### **Governance and internal control**

The members of the Garden appoint the board in accordance with the Company's constitution. Trustees retire by rotation at the Annual General Meeting and may be re-elected. The Trustees meet bi-monthly and during each year review the strategy and performance and set the operating plans and budgets. The Committees listed under 'Organisation' are made up of trustees and other individuals. These committees operate under specific terms of reference, which delegate certain functions from the trustee board. Each committee has its decisions ratified by the full board. A review of the committee structure is currently being undertaken.

The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the Charity or for publication is reliable;
- The charity complies with relevant laws and regulations.

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

- A strategic plan and an annual budget approved by the Trustees;

## **Trustees' Report** *(continued)*

### **Governance and internal control** *(continued)*

- Regular consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews via the newly-established Finance Committee;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

In accordance with best practice and as a matter of routine the trustees have reviewed and updated various policies. A formal risk management process to assess the business risks and implement management strategies continues to be developed. The major risks to which the charity is exposed have been identified and reviewed during the period.

### **Volunteers, employees involvement and remuneration**

The charity is grateful for the unstinting efforts of the volunteers who are involved in the operation including administrative and marketing support, operational duties in ensuring a high quality visitor experience and the education programme is delivered and horticultural and estate management support. The Charity has appointed a volunteer coordinator to ensure that best value is derived from the sterling efforts of its volunteers and a volunteer committee has been formed to ensure effective communication and to receive feedback and suggestions from volunteers. Some 200 volunteers are recorded. Between 80 and 90 volunteers come to assist our work each week. This results in some 400 man hours of voluntary input per week in the winter rising to 500 per week in the summer.

### **Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. A Union Recognition Agreement was signed with the GMB in July 2007.

The charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities policy
- Volunteers' policy
- Health and Safety policy

In accordance with the charity's equal opportunities policy, the charity has established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charity's offices.

### **Remuneration**

The Board of Trustees and members of the committees receive no remuneration. Where claimed, expenses are reimbursed; no claim from any Trustee has been received.

The salaries of the senior management team are determined by the Board upon their appointment and by periodic review. The Board is advised by the Remuneration Committee. This remuneration does not include any share option or long-term incentive schemes. A group pension scheme for all permanent staff is in place. The Charity makes contributions to personal pension schemes for the staff of the Charity.

## Trustees' Report *(continued)*

### Auditors

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each trustee has taken all the steps that he or she ought to have taken as a trustee to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**RH JOLLIFFE**  
*Chairman of Trustees*

Middleton Hall  
Llanarthne  
Carmarthenshire  
SA32 8HG

20 October 2008

## **Statement of responsibilities of the trustees of The National Botanic Gardens of Wales (Limited by Guarantee) in respect of the trustees' report and the financial statements**

The trustees are responsible for preparing the trustees' report and the financial statements for each financial year in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The group and charitable company's financial statements are required by law to give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP  
Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF24 0TE  
United Kingdom

## **Independent auditors' report to the members of The National Botanic Garden of Wales (Limited by Guarantee)**

We have audited the group and charitable company financial statements (the 'financial statements') of The National Botanic Garden of Wales (Limited by Guarantee) for the year ended 31 March 2008 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The responsibilities of the charitable company's trustees, who are also the directors of The National Botanic Garden of Wales (Limited by Guarantee) for the purposes of company law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 10.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report to the members of The National Botanic Garden of Wales (Limited by Guarantee) *(continued)***

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the charitable company's affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

### ***Emphasis of matter - Going concern***

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's and the charitable company's ability to continue as a going concern. At 31 March 2008, the group and charitable company's current liabilities exceeded their current assets by £589,000. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the group's and the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the charitable company were unable to continue as a going concern.

*KPMG LLP*  
Chartered Accountants  
Registered Auditor

25 February 2009

## Consolidated statement of financial activities, including income and expenditure account

for the year ended 31 March 2008

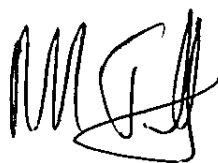
|   | Note | Unrestricted funds | Restricted income funds | Restricted capital funds | Total funds   | Total Funds   |
|---|------|--------------------|-------------------------|--------------------------|---------------|---------------|
|   |      | 2008<br>£'000      | 2008<br>£'000           | 2008<br>£'000            | 2008<br>£'000 | 2007<br>£'000 |
| <b>Incoming resources</b>                             |      |                    |                         |                          |               |               |
| <b>Incoming resources from generated funds:</b>       |      |                    |                         |                          |               |               |
| Voluntary income                                      |      |                    |                         |                          |               |               |
| Donations and gifts                                   | 2    | 51                 | -                       | -                        | 51            | 37            |
| Grants receivable                                     | 2    | 1,900              | -                       | -                        | 1,900         | -             |
| Activities for generating funds                       |      |                    |                         |                          |               |               |
| Fundraising events                                    | 2    | 111                | -                       | -                        | 111           | 84            |
| Merchandising income                                  | 2    | 987                | -                       | -                        | 987           | 827           |
| Investment income                                     | 2    | 564                | -                       | -                        | 564           | 456           |
| <b>Incoming resources from charitable activities:</b> |      |                    |                         |                          |               |               |
| Grants receivable                                     | 3    | 199                | 629                     | -                        | 828           | 819           |
| Admission fees  | 3    | 485                | -                       | -                        | 485           | 451           |
| Other incoming resources                              | 3    | 73                 | -                       | -                        | 73            | 96            |
| <b>Other incoming resources</b>                       | 4    | 394                | -                       | -                        | 394           | 394           |
| <b>Total incoming resources</b>                       |      | <u>4,764</u>       | <u>629</u>              | <u>-</u>                 | <u>5,393</u>  | <u>3,164</u>  |
| <b>Resources expended</b>                             |      |                    |                         |                          |               |               |
| <b>Costs of generating funds</b>                      |      |                    |                         |                          |               |               |
| Merchandising costs                                   | 5    | 760                | -                       | -                        | 760           | 736           |
| Fundraising costs                                     | 5    | 203                | -                       | -                        | 203           | 266           |
| <b>Charitable activities</b>                          | 5    | 2,100              | 1,012                   | -                        | 3,112         | 2,884         |
| <b>Governance costs</b>                               | 5    | 57                 | -                       | -                        | 57            | 57            |
| <b>Total resources expended</b>                       | 5    | <u>3,120</u>       | <u>1,012</u>            | <u>-</u>                 | <u>4,132</u>  | <u>3,943</u>  |
| <b>Net income/(expenditure) for the year</b>          | 7    | 1,644              | (383)                   | -                        | 1,261         | (779)         |
| Unrealised (loss)/gain on investment assets           | 11   | -                  | -                       | (3)                      | (3)           | 3             |
| <b>Net movement in funds before tax</b>               |      | <u>1,644</u>       | <u>(383)</u>            | <u>(3)</u>               | <u>1,258</u>  | <u>(776)</u>  |
| Taxation  | 8    | -                  | -                       | -                        | -             | -             |
| <b>Net movement in funds after tax</b>                |      | <u>1,644</u>       | <u>(383)</u>            | <u>(3)</u>               | <u>1,258</u>  | <u>(776)</u>  |
| <b>Reconciliation of funds</b>                        |      |                    |                         |                          |               |               |
| Fund balance brought forward                          |      | 1,417              | 23,100                  | 1,544                    | 26,061        | 26,837        |
| <b>Fund balance carried forward</b>                   |      | <u>3,061</u>       | <u>22,717</u>           | <u>1,541</u>             | <u>27,319</u> | <u>26,061</u> |

The incoming resources and resulting net movement in funds arise from continuing operations. The charitable company has no recognised gains or losses other than the net movement in funds for the year.

**Consolidated balance sheet**  
*at 31 March 2008*

|  | <i>Note</i> | 2008<br>£'000  | 2007<br>£'000  |
|--|-------------|----------------|----------------|
| <b>Fixed assets</b>  |             |                |                |
| Tangible assets  | 10          | 30,376         | 30,846         |
| Investments  | 11          | 9,466          | 9,279          |
|  |             | <u>39,842</u>  | <u>40,125</u>  |
| <b>Current assets</b>  |             |                |                |
| Stock  | 12          | 48             | 33             |
| Debtors  | 13          | 459            | 344            |
| Cash at bank   |             | 6              | 6              |
|  |             | <u>513</u>     | <u>383</u>     |
| <b>Creditors: amounts falling due within one year</b>          | 14          | <u>(1,102)</u> | <u>(2,515)</u> |
| <b>Net current liabilities</b>                                 |             | <u>(589)</u>   | <u>(2,132)</u> |
| <b>Total assets less current liabilities</b>                   |             | <u>39,253</u>  | <u>37,993</u>  |
| <b>Creditors: amounts falling due after more than one year</b> | 15          | (10,755)       | (10,359)       |
| <b>Deferred income</b>   | 16          | <u>(1,179)</u> | <u>(1,573)</u> |
| <b>Net assets</b>  |             | <u>27,319</u>  | <u>26,061</u>  |
| <b>Fund balances</b>   |             |                |                |
| Restricted capital funds                                       | 17          | 1,541          | 1,544          |
| Restricted income funds  | 18          | 22,717         | 23,100         |
| Unrestricted funds   | 19          | 3,061          | 1,417          |
| <b>Total funds</b>   | 20          | <u>27,319</u>  | <u>26,061</u>  |

These Financial Statements were approved by the Board of Trustees on 15 September 2008 and were signed on its behalf by:



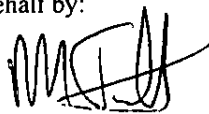
**RH JOLLIFFE**  
*Chairman*



**Company balance sheet**  
*at 31 March 2008*

|  | <i>Note</i> | <b>2008</b>     | <b>2007</b>     |
|--|-------------|-----------------|-----------------|
|  |             | <b>£'000</b>    | <b>£'000</b>    |
| <b>Fixed assets</b>  |             |                 |                 |
| Tangible assets  | 10          | 30,376          | 30,846          |
| Investments  | 11          | 9,466           | 9,279           |
|  |             | <b>39,842</b>   | <b>40,125</b>   |
| <b>Current assets</b>  |             |                 |                 |
| Stock  | 12          | -               | -               |
| Debtors  | 13          | 502             | 372             |
| Cash at bank   |             | 6               | 6               |
|  |             | <b>508</b>      | <b>378</b>      |
| <b>Creditors: amounts falling due within one year</b>          | 14          | <b>(1,097)</b>  | <b>(2,510)</b>  |
| <b>Net current liabilities</b>                                 |             | <b>(589)</b>    | <b>(2,132)</b>  |
| <b>Total assets less current liabilities</b>                   |             | <b>39,253</b>   | <b>37,993</b>   |
| <b>Creditors: amounts falling due after more than one year</b> | 15          | <b>(10,755)</b> | <b>(10,359)</b> |
| <b>Deferred income</b>   | 16          | <b>(1,179)</b>  | <b>(1,573)</b>  |
| <b>Net assets</b>  |             | <b>27,319</b>   | <b>26,061</b>   |
| <b>Fund balances</b>   |             |                 |                 |
| Restricted capital funds                                       | 17          | 1,541           | 1,544           |
| Restricted income funds  | 18          | 22,717          | 23,100          |
| Unrestricted funds   | 19          | 3,061           | 1,417           |
| <b>Total funds</b>   | 20          | <b>27,319</b>   | <b>26,061</b>   |

These Financial Statements were approved by the Board of Trustees on 15 September 2008 and were signed on its behalf by:



**RH JOLLIFFE**  
*Chairman*

**Consolidated cashflow statement**  
*for the year ended 31 March 2008*

|  | <i>Note</i> | <b>2008</b>  | <b>2007</b>  |
|--|-------------|--------------|--------------|
|  |             | <b>£'000</b> | <b>£'000</b> |
| <b>Net cash inflow/(outflow) from operating activities</b>       | <b>21</b>   | <b>2,170</b> | <b>(55)</b>  |
| <b>Returns on investments and servicing of Finance</b>           |             |              |              |
| Interest paid  |             | (105)        | (99)         |
|  |             | (105)        | (99)         |
| <b>Capital expenditure</b>                                       |             |              |              |
| Payments to acquire tangible fixed assets                        |             | (685)        | (354)        |
| Proceeds on sale of fixed assets                                 |             | -            | 16           |
|  |             |              |              |
| <b>Net cashflow before use of liquid resources and financing</b> |             | <b>1,380</b> | <b>(492)</b> |
| <b>Financing</b>   |             |              |              |
| Loan received  |             | -            | 450          |
| Redemption of investment   |             | 324          | 241          |
| Repayment of hire purchase balances                              |             | (324)        | (241)        |
|  |             |              |              |
|  |             | -            | 450          |
| <b>Increase/(decrease) in cash</b>                               | <b>22</b>   | <b>1,380</b> | <b>(42)</b>  |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) ("SORP 2005"), applicable UK Accounting Standards, the Charities Act 1993 and the Companies Act 1985. In recognition of the Company's charitable status, the results for the year have been shown in a Statement of Financial Activities rather than the format prescribed by the Companies Act 1985.

#### *Going concern*

The financial statements are prepared on a going concern basis, notwithstanding net current liabilities of £589,000, which the trustees believe to be appropriate for the following reasons.

Following the year end, the group experienced significant reductions in visitor numbers compared to the year ended 31 March 2008. This has resulted in the group being significantly behind budget as a result of which the trustees have revised the budget for the year ending 31 March 2009 and have completed an initial cost cutting programme. The trustees have reviewed their working capital requirements and entered into a new facility with the Royal Bank of Scotland ('RBS') which has agreed to provide an overdraft facility of £250,000 repayable on demand. The management of the Alliance and Leicester deposit (see note 11) has also been transferred to RBS which has confirmed that the deposit should be sufficient to cover the finance lease obligations set out in note 15.

The trustees are also aware of the liability of £1,350,000 owed to Carmarthenshire County Council which is secured on certain properties. This amount falls due in greater than 12 months, and as this maturity date approaches the trustees will be discussing the facility with Carmarthenshire County Council and the Welsh Assembly Government.

The trustees have prepared projected cash flow information for the period ending twelve months from the date of their approval of these financial statements. On the basis of this cash flow information, the trustees consider that the group will continue to operate within the facility recently agreed. However, the margin of facilities over requirements is not large and the nature of the group's business is such that there can be considerable unpredictable variation in the timing of cash inflows. If visitor numbers do not meet forecast levels and the group were not able to realise further cost cutting opportunities, the group would not be able to manage within its current facilities.

As a result, this material uncertainty may cast significant doubt on the group and the charitable company's ability to continue as a going concern. The group and the charitable company may, therefore, be unable to continue realising their assets and discharging their liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the group and the charitable company were unable to continue as a going concern.

#### *Fund accounting*

The various types of funds for which the Charity is responsible, and which require separate disclosure are as follows:

##### *Unrestricted funds*

Unrestricted funds are funds, which are expendable at the discretion of the trustees in furtherance of the objects or administration of the Charity.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Restricted funds*

##### *Restricted income funds*

Restricted income funds can arise by way of donations, gifts (of assets and services), grants and legacies and are earmarked by the donor for specific purposes. Such purposes are within the overall aims of the organisation. For restricted income funds, the donation and income deriving therefrom may be utilised. These funds include all grants receivable for specific purposes related to the project.

##### *Restricted capital funds*

Restricted capital funds represent gifts of land and investments to be held as capital by the Charity. In the case of restricted capital funds, only the income arising from the fund may be utilised for the restricted purposes and the capital must be retained.

Any income arising from restricted capital funds is included in restricted income.

#### *Basis of consolidation*

The statement of financial activities and balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking, Middleton Garden Limited. The results of the subsidiary are consolidated 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 230 of the Companies Act 1985 and paragraph 397 of the Statement of Recommended Practice: Accounting and Reporting by Charities.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation. In the case of assets and services gifted to the Charity a valuation is established by means of an external professional valuation or a certificate of value from the donor as appropriate.

Depreciation is provided on a straight line basis to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                           |   |                           |
|---------------------------|---|---------------------------|
| Long leasehold buildings  | - | 2% per annum              |
| Long leasehold land       | - | Not depreciated           |
| Plant and machinery       | - | 4% per annum              |
| Fixtures and fittings     | - | 20% to 33% per annum      |
| Estate vehicles           | - | 25% per annum             |
| Capitalised finance costs | - | term of finance agreement |

Assets in the course of construction comprise costs associated with the design and building of the botanic garden. Such costs are accumulated over the course of the project and are not depreciated until they come into use.

No depreciation is provided on plants as, in the view of the trustees, these assets are unlikely to suffer from economic or technological obsolescence.

#### *Investments*

Fixed asset investments are stated at their market value, as recorded on a recognised stock exchange, or as valued by the investment manager. Movements in market value are taken to the Statement of Financial Activities as unrealised gains or losses on investment assets. Income derived from such assets is recorded as investment income in the year of receipt.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### ***Expenditure***

All expenditure is accounted for on an accruals basis. Expenditure categories include salaries, depreciation and other costs.

Fundraising and publicity costs are incurred in relation to staff members who are engaged directly in fundraising, the costs of consultants retained to work in this area, and also the cost of specific publicity campaigns for the raising of donations.

The costs of charitable activities comprise the costs of activities in furtherance of the Charity's objects including a proportion of salary costs of certain members of the executive management team and support costs which include management and administration costs relating to the management functions inherent in service delivery and project work.

Governance costs comprise the costs involved in the governance of the Charity, its compliance with constitutional and statutory requirements and its accountability to the public.

Costs are apportioned between the above categories in a manner which reflects the allocation of resources to these areas.

#### ***Income***

##### ***Grants***

Grants receivable are accounted for in the period to which the grants relate. Where the conditions for the recognition of grants receivable have not been met, the amounts are transferred to a deferred credit account and released to the Statement of Financial Activities when such conditions have been fulfilled.

Grants of a general nature are included within voluntary income, other grants relating to services provided as part of the charitable activities or as services to beneficiaries are included as incoming resources from charitable activities.

##### ***Donations***

Cash donations are included in the Statement of Financial Activities when received.

##### ***Stocks***

Stocks are stated at the lower of cost and net realisable value.

##### ***Taxation***

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

##### ***Gifts in kind***

Gifts in kind include non cash donations of services and assets. They have been included in donations and gifts, and in the relevant category of expenditure and fixed assets, and have been recorded at values based on market rate.

##### ***Leases***

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Where financing arrangements involve leases from which benefits accrue, these are accrued within deferred income from the time that their realisation becomes certain and released to income on a straight line basis over the remaining life of the lease.

##### ***Pension costs***

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

**Notes (continued)**

**2 Analysis of incoming resources from generated funds**

|                             | 2008<br>£'000 | 2007<br>£'000 |
|-----------------------------|---------------|---------------|
| <b>Donations</b>            |               |               |
| Donations                   | 51            | 37            |
| <b>Grants receivable</b>    |               |               |
| Welsh Assembly Government   | 1,900         | -             |
| <b>Fundraising events</b>   |               |               |
| Membership                  | 97            | 77            |
| Events                      | 14            | 7             |
|                             | 111           | 84            |
| <b>Merchandising income</b> |               |               |
| Sale of goods               | 987           | 827           |
| <b>Investment income</b>    |               |               |
| Bank deposit interest       | 564           | 456           |

**3 Analysis of incoming resources from charitable activities**

|                                       | 2008<br>£'000 | 2007<br>£'000 |
|---------------------------------------|---------------|---------------|
| <b>Grants receivable</b>              |               |               |
| The Millennium Commission/Big Lottery | 524           | 394           |
| Welsh Assembly Government             | 199           | 233           |
| Others                                | 105           | 192           |
|                                       | 828           | 819           |
| <b>Admissions</b>                     | 485           | 451           |
| <b>Other incoming resources</b>       |               |               |
| Education events                      | 66            | 68            |
| Profit on disposal of fixed assets    | -             | 15            |
| Other                                 | 7             | 13            |
|                                       | 73            | 96            |

## Notes (continued)

### 4 Analysis of other incoming resources

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| Release of deferred income (see note 16) | 394           | 394           |

### 5 Analysis of total resources expended

|  | Staff<br>costs<br>£'000 | Other<br>£'000 | Depreciation<br>£'000 | 2008<br>Total<br>£'000 | 2007<br>Total<br>£'000 |
|--|-------------------------|----------------|-----------------------|------------------------|------------------------|
| Merchandising costs  | 331                     | 429            | -                     | 760                    | 736                    |
| Fundraising and publicity                                      | 86                      | 117            | -                     | 203                    | 266                    |
| Charitable activities  |                         |                |                       |                        |                        |
| Costs of activities in furtherance of the<br>Charity's objects | 649                     | 924            | -                     | 1,573                  | 1,488                  |
| Support costs  | 166                     | 314            | 1,059                 | 1,539                  | 1,396                  |
|  | 815                     | 1,238          | 1,059                 | 3,112                  | 2,884                  |
| Governance costs   | -                       | 57             | -                     | 57                     | 57                     |
|  | 1,232                   | 1,841          | 1,059                 | 4,132                  | 3,943                  |

Other merchandising costs comprise:

|                                | 2008<br>£'000 | 2007<br>£'000 |
|--------------------------------|---------------|---------------|
| Shop, catering and plant costs | 384           | 388           |
| Events                         | 45            | 16            |
|                                | 429           | 404           |

Other fundraising and publicity costs comprise:

|           | 2008<br>£'000 | 2007<br>£'000 |
|-----------|---------------|---------------|
| Marketing | 117           | 167           |

## Notes (continued)

### 5 Analysis of total resources expended (continued)

Other costs in furtherance of the Charity's objects comprise:

|              | 2008<br>£'000 | 2007<br>£'000 |
|--------------|---------------|---------------|
| Horticulture | 44            | 68            |
| Operations   | 865           | 800           |
| Education    | 15            | 6             |
|              | <u>924</u>    | <u>874</u>    |

Other support costs comprise:

|                              | 2008<br>£'000 | 2007<br>£'000 |
|------------------------------|---------------|---------------|
| Insurance and administration | 32            | 32            |
| Establishment costs          | 85            | 65            |
| Loan interest                | 197           | 157           |
|                              | <u>314</u>    | <u>254</u>    |

Other governance costs comprise:

|                                 | 2008<br>£'000 | 2007<br>£'000 |
|---------------------------------|---------------|---------------|
| Legal and professional          | 41            | 41            |
| Auditors fees – audit and other | 16            | 16            |
|                                 | <u>57</u>     | <u>57</u>     |

### 6 Staff numbers and costs

The average number of persons (full time equivalent) employed during the year, analysed by category, was as follows:

(i) Staff

|                       | Number of employees<br>(full time equivalent) |           |
|-----------------------|---|-----------|
|                       | 2008  | 2007      |
| <b>Permanent</b>      |   |           |
| Technical             | 28  | 27        |
| Administration        | 16  | 12        |
| Retail and operations | 23  | 25        |
|                       | <u>67</u>                                     | <u>64</u> |



## Notes (continued)

### 6 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| Wages and salaries                     | 1,128         | 1,063         |
| Social security costs                  | 87            | 77            |
| Other pension and life assurance costs | 17            | 15            |
|  | <u>1,232</u>  | <u>1,155</u>  |

Number of employees whose emoluments exceeded £60,000 were:

|                                  | 2008<br>No    | 2007<br>No |
|----------------------------------|---------------|------------|
| £70,001 to £80,000               | 1             | -          |
| Contribution to private pensions | <u>£3,750</u> | <u>-</u>   |

#### (ii) Trustees

The average number of Trustees during the year was 7 (2007: 10). The Trustees received no remuneration or expenses in the year (2007: £Nil).

### 7 Net incoming/(outgoing) resources

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| <i>Net incoming/(outgoing) resources is stated after charging the following:</i> |               |               |
| Auditors' remuneration   |               |               |
| Audit fees   | 15            | 15            |
| Other fees   | 1             | 1             |
| Professional fees  | 41            | 41            |
| Depreciation: owned assets   | 611           | 584           |
| leased assets  | 448           | 448           |
|  | <u></u>       | <u></u>       |

### 8 Tax

The National Botanic Garden of Wales is a registered charity and there is no charge to corporation tax in respect of the charitable activities (2007: £Nil).

## Notes (continued)

### 9 Subsidiary Company

The Charity owns the whole of the issued share capital of Middleton Garden Limited, a company registered in England and Wales. The subsidiary is used for the non-charitable, trading activities, namely the operation of a shop and catering in the botanic garden and the franchise operation of plant sales facilities. A summary of the results of the subsidiary is shown below.

|  | 2008<br>£'000 | 2007<br>£'000 |
|--|---------------|---------------|
| Turnover                                   | 954           | 757           |
| Cost of sales                              | (429)         | (320)         |
| Gross profit                               | 525           | 437           |
| Administrative expenses                    | (266)         | (285)         |
| Charitable donation to parent organisation | (259)         | (152)         |
| Profit on ordinary activities before tax   | -             | -             |
| Taxation                                   | -             | -             |
| <b>Result for the year</b>                 | -             | -             |
| Current assets                             | 48            | 33            |
| Current liabilities                        | (48)          | (33)          |
| <b>Net assets</b>                          | -             | -             |
| Called up share capital                    | -             | -             |
| Profit and loss account                    | -             | -             |
| <b>Shareholders' funds – equity</b>        | -             | -             |

## Notes (continued)

### 10 Tangible fixed assets - Group and Company

|                          | Freehold<br>land | Long<br>leasehold<br>buildings | Long<br>leasehold<br>land | Plant and<br>Machinery | Fixtures,<br>Fittings<br>and<br>vehicles | Plants<br>and<br>planting | Assets in the<br>course of<br>Construction | Total  |
|--------------------------|------------------|--------------------------------|---------------------------|------------------------|--|---------------------------|--|--------|
|                          | £'000            | £'000                          | £'000                     | £'000                  | £'000                                    | £'000                     | £'000                                      | £'000  |
| <b>Cost or valuation</b> |                  |                                |                           |                        |  |                           |  |        |
| At 1 April 2007          | 463              | 22,218                         | 1,134                     | 12,394                 | 1,173                                    | 930                       | 178  | 38,490 |
| Additions                | -                | 486                            | -                         | -                      | 86                                       | 17                        | -  | 589    |
| Transfers                | -                | 178                            | -                         | -                      | -  | -                         | (178)                                      | -      |
| At 31 March 2008         | 463              | 22,882                         | 1,134                     | 12,394                 | 1,259                                    | 947                       | -  | 39,079 |
| <b>Depreciation</b>      |                  |                                |                           |                        |  |                           |  |        |
| At 1 April 2007          | -                | 3,194                          | -                         | 3,506                  | 944                                      | -                         | -  | 7,644  |
| Charge for the year      | -                | 457                            | -                         | 496                    | 106                                      | -                         | -  | 1,059  |
| At 31 March 2008         | -                | 3,651                          | -                         | 4,002                  | 1,050                                    | -                         | -  | 8,703  |
| <b>Net book value</b>    |                  |                                |                           |                        |  |                           |  |        |
| At 31 March 2008         | 463              | 19,231                         | 1,134                     | 8,392                  | 209                                      | 947                       | -  | 30,376 |
| At 31 March 2007         | 463              | 19,024                         | 1,134                     | 8,888                  | 229                                      | 930                       | 178  | 30,846 |

All tangible fixed assets are used for charitable purposes.

Included in the total net book value of plant and machinery is £7,630,000 (2007: £8,078,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £448,000 (2007: £448,000).

The net book value of plant and machinery includes £688,000 (2007: £688,000) of capitalised finance costs.

### 11 Investments - Group and Company

|                                 | 2008<br>£000 | 2007<br>£000 |
|---------------------------------|--------------|--------------|
| UK Small Cap Fund Retail Income | 16           | 19           |
| Alliance & Leicester Deposit    | 9,450        | 9,260        |
|                                 | <u>9,466</u> | <u>9,279</u> |

The UK Small Cap Fund Retail Income investment represents 17,314.704 shares in Insight Investment Discretionary Funds ICVC and Insight Investment Professional Funds ICVC. The investment has been recorded at its quoted market value on the London Stock Exchange at the year end date. The investment fund was gifted to the Charity during 1999, at the time of the gift its value was £10,390.

The Alliance & Leicester deposit represents amounts set aside to meet finance lease obligations as set out in note 15.

## Notes (continued)

### 11 Investments (continued)

The Company has investments in subsidiary undertakings at a cost of £1, the details of which are as follows:

| Subsidiary               | Country of Registration | Proportion of issued<br>Ordinary £1 shares held |
|--------------------------|-------------------------|---|
| Middleton Garden Limited | England and Wales       | 100%  |

The activity of this company is to act as the non-charitable operation of the Garden.

### 12 Stock

|                  | Group<br>2008<br>£'000 | Group<br>2007<br>£'000 | Company<br>2008<br>£'000 | Company<br>2007<br>£'000 |
|------------------|------------------------|------------------------|--------------------------|--------------------------|
| Goods for resale | 48                     | 33                     | -                        | -                        |

### 13 Debtors

|  | Group<br>2008<br>£'000 | Group<br>2007<br>£'000 | Company<br>2008<br>£'000 | Company<br>2007<br>£'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Trade debtors                          | 130                    | 49                     | 130                      | 49                       |
| Amount owed by subsidiary undertakings | -                      | -                      | 43                       | 28                       |
| Grants receivable                      | 54                     | 63                     | 54                       | 63                       |
| Other debtors                          | 224                    | 183                    | 224                      | 183                      |
| Prepayments                            | 51                     | 49                     | 51                       | 49                       |
|  | 459                    | 344                    | 502                      | 372                      |

**Notes (continued)**

**14 Creditors: amounts falling due within one year**

|  | <b>Group<br/>2008<br/>£'000</b> | <b>Group<br/>2007<br/>£'000</b> | <b>Company<br/>2008<br/>£'000</b> | <b>Company<br/>2007<br/>£'000</b> |
|--|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Bank overdraft   | 73                              | 1,453                           | 73                                | 1,453                             |
| Obligations under finance leases and hire purchase contracts (see note 15) | 426                             | 426                             | 426                               | 426                               |
| Trade creditors  | 248                             | 311                             | 243                               | 306                               |
| Accruals   | 328                             | 325                             | 328                               | 325                               |
| Other Tax and Social Security  | 27                              | -                               | 27                                | -                                 |
|  | <b>1,102</b>                    | <b>2,515</b>                    | <b>1,097</b>                      | <b>2,510</b>                      |

A legal mortgage is in place on the Company's freehold land and buildings in favour of Bank of Scotland plc. The same assets are subject to a second charge in favour of the Millennium Commission to secure all monies and liabilities advanced by the Commission to the Company. This mortgage restricts the use of the assets to that of a botanical garden. The Welsh Assembly Government also has a legal charge over part of the freehold land of the Company.

**15 Creditors: amounts falling due after more than one year – Group and Company**

|                                  | <b>2008<br/>£'000</b> | <b>2007<br/>£'000</b> |
|----------------------------------|-----------------------|-----------------------|
| Obligations under finance leases | 9,236                 | 9,009                 |
| Loan - secured                   | 1,350                 | 1,350                 |
| Interest on Loan                 | 169                   | -                     |
|                                  | <b>10,755</b>         | <b>10,359</b>         |

During May 2000 the Charity entered into a Sale and Leaseback agreement in respect of certain land, buildings and plant, with Lombard Property Facilities Limited. The sale and leaseback raised £11,126,000; an element of this was placed on deposit to generate interest to meet finance lease repayments. The amount on deposit will be utilised to settle the outstanding balance on the finance lease, this is due to take place in 2010, and interest is accruing on the finance lease.

The obligations under finance leases and hire purchase contracts are secured by a mortgage debenture providing a fixed and floating charge over the Company's assets together with a fixed charge over book debts. The secured party is Lombard Property Facilities Limited.

The maturity of obligations under finance leases and hire purchase contracts is as follows:

|                              | <b>2008<br/>£'000</b> | <b>2007<br/>£'000</b> |
|------------------------------|-----------------------|-----------------------|
| Within one year              | 426                   | 426                   |
| In the second to fifth years | 10,552                | 10,978                |
|                              | <b>10,978</b>         | <b>11,404</b>         |
| Less future finance charges  | (1,316)               | (1,969)               |
|                              | <b>9,662</b>          | <b>9,435</b>          |

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year – Group and Company (continued)

The loan of £1,350,000 from Carmarthenshire County Council, secured on certain properties, is repayable in 2010 and bears interest at 6.5%.

### 16 Deferred income

|   | 2008<br>£'000 | 2007<br>£'000 |
|---|---------------|---------------|
| Arising on financing arrangement (see note 4) | 1,179         | 1,573         |

This represents the benefit derived from a financial arrangement entered into with the Royal Bank of Scotland plc. This is being released on a straight line basis until the completion of the arrangement in May 2010.

### 17 Restricted capital funds

| Group and Company               | Land<br>£'000 | Investments<br>£'000 | Total<br>£'000 |
|---------------------------------|---------------|----------------------|----------------|
| Balance at 1 April 2007         | 1,525         | 19                   | 1,544          |
| Net outgoing resources          | -             | (3)                  | (3)            |
| <b>Balance at 31 March 2008</b> | <b>1,525</b>  | <b>16</b>            | <b>1,541</b>   |

All funds are permanent in nature.

### 18 Restricted Income funds

|                                    | Balance at<br>1 April 2007<br>£'000 | Movement in funds<br>Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Balance at<br>31 March 2008<br>£'000 |
|------------------------------------|-------------------------------------|---|--------------------------------|--------------------------------------|
| <b>Group and Company</b>           |                                     |   |                                |                                      |
| Millennium Commission              | 15,847                              | 524   | (511)                          | 15,860                               |
| European Regional Development Fund | 4,453                               | -   | (275)                          | 4,178                                |
| Welsh Assembly Government          | 2,438                               | -   | (151)                          | 2,287                                |
| Other sources                      | 362                                 | 105   | (75)                           | 392                                  |
|                                    | 23,100                              | 629   | (1,012)                        | 22,717                               |

The Millennium Commission is supporting the project and has approved grants for the project totalling £22.2 million.

The above funds were provided to establish a botanical garden in Wales and to maintain current operations.

## Notes (continued)

### 19 Unrestricted funds

| Group and Company                 | 2008<br>£'000 | 2007<br>£'000 |
|-----------------------------------|---------------|---------------|
| Balance at beginning of year      | 1,417         | 1,710         |
| Net incoming/(outgoing) resources | 1,644         | (293)         |
| <b>Balance at end of year</b>     | <b>3,061</b>  | <b>1,417</b>  |

### 20 Analysis of net assets between funds

|   | Unrestricted<br>funds<br>£'000 | Restricted<br>Income funds<br>£'000 | Restricted<br>capital<br>funds<br>£'000 | Total<br>2008<br>£'000 | Total<br>2007<br>£'000 |
|---|--------------------------------|-------------------------------------|---|------------------------|------------------------|
| Fixed assets                                    | 6,134                          | 22,717                              | 1,525                                   | 30,376                 | 30,846                 |
| Investments                                     | 9,450                          | -                                   | 16                                      | 9,466                  | 9,279                  |
| Net current liabilities                         | (589)                          | -                                   | -                                       | (589)                  | (2,054)                |
| Creditors: amounts due after more than one year | (10,755)                       | -                                   | -                                       | (10,755)               | (10,437)               |
| Deferred income                                 | (1,179)                        | -                                   | -                                       | (1,179)                | (1,573)                |
|   | <b>3,061</b>                   | <b>22,717</b>                       | <b>1,541</b>                            | <b>27,319</b>          | <b>26,061</b>          |

In the opinion of the Trustees, sufficient resources are held in appropriate form for each fund to be applied in accordance with any restrictions imposed.

### 21 Reconciliation of net incoming resources to net cash inflow from operating activities

|  | 2008<br>£'000 | 2007<br>£'000  |
|--|---------------|----------------|
| Net incoming/(outgoing) resources before other recognised gains and losses | 1,261         | (779)          |
| Interest receivable  | (564)         | (456)          |
| Interest payable   | 750           | 622            |
| Income arising on financing arrangement                                    | (394)         | (394)          |
| <b>Operating surplus/(deficit)</b>   | <b>1,053</b>  | <b>(1,007)</b> |
| Depreciation   | 1,059         | 1,032          |
| Profit on disposal of fixed assets   | -             | (15)           |
| Movement in stock  | (15)          | 10             |
| Movement in debtors  | (76)          | (20)           |
| Movement in creditors  | 149           | (55)           |
| <b>Net cash inflow/(outflow) from operating activities</b>                 | <b>2,170</b>  | <b>(55)</b>    |

## Notes (continued)

### 22 Reconciliation of net cash flow to movement in net debt

|   | Note | 2008<br>£'000 | 2007<br>£'000 |
|---|------|---------------|---------------|
| Increase/(decrease) in cash in the year |      | 1,380         | (42)          |
| Loan advance                            |      | -             | (450)         |
| Change in net debt from cash flow       |      | 1,380         | (492)         |
| Other movements – net interest accrued  |      | (37)          | (47)          |
| Movement in net debt in year            |      | 1,343         | (539)         |
| Net debt brought forward                | 23   | (2,972)       | (2,433)       |
| Net debt carried forward                | 23   | (1,629)       | (2,972)       |

### 23 Analysis of changes in net debt

|                  | Cash at<br>bank<br>£'000 | Bank<br>overdraft<br>£'000 | Liquid<br>resources<br>£'000 | Finance<br>lease<br>£'000 | Other loan<br>£'000 | Total<br>£'000 |
|------------------|--------------------------|----------------------------|------------------------------|---------------------------|---------------------|----------------|
| At 31 March 2007 | 6                        | (1,453)                    | 9,260                        | (9,435)                   | (1,350)             | (2,972)        |
| Cash flow        | -                        | 1,380                      | (324)                        | 324                       | -                   | 1,380          |
| Other movements  | -                        | -                          | 514                          | (551)                     | -                   | (37)           |
| At 31 March 2008 | 6                        | (73)                       | 9,450                        | (9,662)                   | (1,350)             | (1,629)        |

Other movements are in respect of interest accruing on the deposit investment and the finance lease.

### 24 Capital

The Company is limited by guarantee and therefore has no share capital. The extent of the guarantee is £1 per member. The maximum number of members permitted is 250 and the actual number of members at 31 March 2008 was 28 (2007: 28).

### 25 Contingencies

The company is in dispute with a joint venture developer which has issued a legal claim for compensation of £200,000 in relation to a proposed joint development that did not take place. The directors are of the opinion that it is unlikely that any liability will arise in relation to the claim.



**Notes (continued)**

**26 Capital commitments**

|                                 | 2008<br>£'000 | 2007<br>£'000 |
|---------------------------------|---------------|---------------|
| Authorised and contracts placed | -             | 321           |

**27 Indemnity insurance**

The Charity has insurance policies in place which indemnify the Charity against losses arising from negligence or default of the Trustees and Officers. The cost of these policies amounted to £3,000 (2007: £3,000).

**28 Pension contributions**

The National Botanic Garden of Wales operates a defined contribution pension scheme. The amount charged to the Statement of Financial Activities during the year was £17,000 (2007: £15,000). No contributions were outstanding at the year end (2007: £Nil).

**29 Related parties**

The charity is exempt under financial reporting standard 8 from the requirement to disclose transactions with its subsidiary undertaking Middleton Garden Limited.