



# **The National Botanic Garden of Wales**

**(A company limited by guarantee)**

**Trustees' report and consolidated financial  
statements  
31 March 2017**

**Registered company number 2909098  
Registered charity number 1036354**

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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, The National Botanic Garden of Wales ("The Garden"), for the year ended 31 March 2017. This report contains all the information required in accordance with the Charities Statement of Recommended Practice (FRS 102).

### Reference and Administration

#### Board of Trustees

	Number of board meetings attended in year	Audit Committee	Nomination Committee	Remuneration Committee
Robert Jolliffe (Chairman)	3		X	X
John Ellis OBE (Vice Chairman) (deceased 6 January 2017)	4	X		
Gary Davies (appointed 26 July 2017)	-			
Rhodri Glyn-Thomas (appointed 26 July 2017)	-			
Professor John Harries (resigned 6 June 2017)	2		X	
Derek Howell	5	X	X	X
Julie James	5		X	X
Councillor David Jenkins	2			X
Sir Roger Jones OBE	3	X		
Timothy Jones (appointed 26 July 2017)	-			
Pat O'Reilly (appointed 11 December 2016)	-	X		
Eluned Parrott (appointed 11 January 2017)	-		X	
Dr Hew Prendergast (resigned 30 May 2016)	1		X	
Dr Paul Smith (appointed 26 July 2017)	-			
Professor Heather Stevens CBE	2	X		
Camilla Swift (resigned 30 May 2016)	-		X	
Dr Elisabeth Whittle	3			X
Steffan Williams	2			X
Dr Mike Woods (appointed 15 December 2016)	-	X		

**Company Secretary**  
 G Orchard

## Trustees' Report (continued)

The Trustees held 5 board meetings during the year. The audit committee met twice during the year in September 2016 (attended by John Ellis, Heather Stevens and Derek Howell) and March 2017 (attended by Derek Howell, Heather Stevens, Sir Roger Jones and Mike Woods). The remuneration committee met once during the year in January 2017 (attended by Julie James, David Jenkins and Elisabeth Whittle).

### Executive Senior Management Team

H Francis	-	Director of the Garden (appointed 13 June 2016)
G Davies	-	Interim Director of the Garden (1 March 2016 – 7 June 2016)
W Ritchie	-	Curator (appointed 23 January 2017)
R Thomas	-	Head of Development
G Orchard	-	Head of Finance/Secretary to the Board
Dr N De Vere	-	Head of Conservation and Research
J Sutherland	-	Head of Facilities (resigned 9 September 2016)
H Davies	-	Head of Facilities (appointed 17 October 2016)
D Hardy	-	Head of Marketing and Communications
L Harris-John	-	Head of Trading and Admissions
C Williams	-	Head of Catering

### Registered office

Middleton Hall  
Llanarthne  
Carmarthenshire  
SA32 8HG

### Auditors

Clay Shaw Butler  
24 Lammas Street  
Carmarthen  
Carmarthenshire  
SA31 3AL

### Bankers

NatWest  
59 King Street  
Carmarthen  
SA31 1BB

### Solicitors

Acuity Legal  
3 Assembly Square  
Britannia Quay  
Cardiff Bay  
Cardiff  
CF10 4PL

### Enquiries

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

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

## Trustees' Report (continued)

### Structure, Governance and Management

The National Botanic Garden of Wales (the Garden) is a company Limited by Guarantee, registered in Wales (no: 2909098) and a registered charity (no: 1036354) (the Charity). Its governing instrument is the Memorandum and Articles of Association as amended and adopted by special resolution passed on 25 November 2015. The charitable company has one wholly owned subsidiary, Middleton Garden Limited. The principal activity of Middleton Garden Limited is to undertake any non-charitable operations of the Garden which include corporate events, retail and catering outlets at the Garden.

The Board of Trustees (the Board) is the governing body and oversees the implementation of the Garden's policies, plans and the structure of the organisation considering recommendations from the management team. The Board reviews the strategy and performance and agrees the operating plans and budgets. The Board has overall responsibility for ensuring that the Charity has appropriate systems of controls, financial and otherwise. It is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Companies Act. It is 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 Garden or for publication is reliable;
- the Charity complies with relevant laws and regulations;
- the Charity pays its creditors in accordance with agreed terms.

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

- a strategic plan, annual business plan and budget approved by the Board;
- regular consideration by the Board of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of authority and segregation of duties;
- identification and management of risks. The management team and Audit Committee regularly review its risk register and key matters are reported to the Board. The Garden has identified the following principal risks to the organisation and the strategies for managing these risks.
  - **Funding and cashflow.** The Garden is engaged in developing new and profitable revenue streams to enhance the Garden's reach and offering as well as reduce its dependency on public sector funding.
  - **Public profile and impact on relationships with stakeholders.** The Garden acknowledges the significant value to partnering with other organisations to deliver its mission on a financially sustainable basis and is committed to working to develop these relationships to the benefit of all.

## Trustees' Report (continued)

- **Staffing and employment.** The challenges of maintaining a progressive and rewarding staff environment in the context of limited financial resources is increasing given statutory increases in minimum pay rates. The Garden is committed to the dedicated team that supports it and by developing new commercial opportunities seeks to maintain a fair pay structure and provide innovative opportunities to develop new skills so as remain a valued and key employer in the locality of West Wales.
- **Infrastructure needs.** The Garden is now some 17 years old and the need to maintain infrastructure across the 550 acres represents a long term commitment. The Garden continues to seek innovative solutions to changing technology and support for its ongoing maintenance obligations from a number of partner organisations.
- **Economic Climate.** The Garden is aware that much of its income is dependent upon the economic climate and factors such as available disposable income, Brexit, public sector cuts and uncertainty within the economy both UK wide and more locally in Wales. In the past the Garden has received EU grant support and is working hard to take advantage of such opportunities as may exist in the short term and place itself well to secure alternative funding in the longer term.

The Board includes those with appropriate professional, business and commercial experience and knowledge of botanical conservation science.

The members of the Garden appoint the Board in accordance with the Garden's constitution at the annual general meeting. Trustees retire by rotation at the Annual General Meeting and may be re-elected. During the year the sad death of John Ellis (Vice Chairman) occurred and 2 further Trustees resigned (Hew Prendergast and Camilla Swift). The Board wishes to record its thanks to all for the contributions made. The Board has welcomed 3 new Trustees (Dr Mike Woods, Pat O'Reilly and Eluned Parrott).

Guidance on the roles and responsibilities of Trustees is included in the open invitation to prospective candidates, and all new trustees undertake a period of induction with senior managers and Board members. An induction pack is provided, including all key information, copies of the strategies, objectives and policies of the Garden.

The Garden recognises the importance of effective corporate governance and has established an audit committee, remuneration committee and nomination committee each with appropriate terms of reference, which are regularly reviewed. Membership of these committees is shown on page 3.

The Board's nomination committee meets to encourage and approve the appointment of new trustees. The Board's remuneration committee meets to review remuneration, terms and conditions and organisational staffing matters. The Board's audit committee meets to review and update the internal financial control procedures of the Garden and reviews a regular finance report in advance of each full trustee meeting. The audit committee has also assumed the role of overseeing pensions' governance as recommended by the Pensions Regulator and takes responsibility for the oversight of the Charity's Risk Register which is first assessed by the senior management team. There is no internal audit function in view of the small size of the organisation and the limited resources available.

## Trustees' Report (continued)

The Garden works in partnership with a large number of partner organisations throughout Wales and the wider international community. The areas of partnership include those from horticulture, education, sustainability, conservation, science and research as well as historic landscape, arts and Welsh culture. The Garden is particularly grateful for the support of the Welsh Government (WG), Carmarthenshire County Council (CCC), the Waterloo Foundation, Natural Resources Wales (NRW) and Colonel Patrick Daniell whose financial contributions and wider input are much valued. With the ongoing Regency Restoration Project the Garden is also working with partners from the heritage sector including the Heritage Lottery Fund, Mr Richard Broyd, Garfield Weston, The Monument Trust, Mercers Company, WG, CCC, the Esmee Fairbairn Trust and The Patsy Wood Trust. The Garden is immensely grateful for their support and guidance during the development of this project.

The Board confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Significant activities that were undertaken during the year demonstrate public benefit and are set out in the following pages.

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.

### Objectives and Activities

The Garden's vision is

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

The Garden's mission is

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

The Charity's aims are 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 Garden is also engaged in a project to restore some of the rich historic landscape within its 550 acre site, restoring lakes, bridges and pathways to those found in the regency period.

The Garden prepares an annual plan to focus the efforts of the management team and Trustees. The principal objectives within the plan for the year were to;

- Focus on developing initiatives that will generate profitable income streams to reduce the dependency on public sector grant in aid support. Work with these public sector organisations to ensure a managed reduction and recognising the worth of the organisation to Wales and grant funded opportunities.
- Work to mitigate and protect the organisation against the financial impact of changes in legislation such as the introduction of the National Living Wage and the Welsh Language Standards.
- Recognise the ongoing need for capital investment, develop innovative solutions to fundraising, collaboration and grant funding to maintain and develop the Garden's offering.
- Secure a new tenancy or partnership for occupancy of the Science Centre and resolve the remaining elements of the former JV arrangements.
- Respond to the Welsh Language Commissioner Standards

## Trustees' Report (continued)

- Progress the Regency Restoration project following submission of the stage II of its bid to the HLF in 2016/17 and seek the remainder of the partnership funding.

### Review of achievements and performance

During the last financial year The Garden has seen a meaningful increase in its reach and appeal to new demographics and in particular to the family market. Leisure visitor numbers increased significantly by 17% on the previous year with education visits also up by 11%. The Garden's ability to embrace younger visitors in particular has enabled it to provide a safe and educational environment for children to learn about the importance of plants and the "great outdoors".

This theme was developed into the "Great Indoors" for our winter marketing campaign to reinforce the Garden's appeal throughout the year with its increasing number of under-cover visitor attractions as well as a "Fit for Free" January campaign encouraging the use of the outside Garden, post-Christmas. The Butterfly House was opened in July 2016 and has housed not only butterflies but also exotic moths and other insects throughout the year to illustrate the importance of a wide range of habitats and biodiversity. This exhibit has proved popular with young and old alike and has drawn visits to West Wales from a wider area as a result of marketing campaigns conducted in Swansea, Cardiff and beyond. Additional activities have included a hay bale maze, new play park and zorbing all designed to enhance The Garden experience alongside the wide range of stunning horticultural displays so that a day "in The Garden" appeals to all. This varied appeal is central to delivering an ever changing experience to our increasing number of members who support the Garden with regular visits, trips to other gardens, as well as member day events. BBC television programmes featuring the Garden such as Countryfile and Bargain Hunt have also highlighted its diverse appeal to a UK wide audience.

Central to a good day out is the visitor experience in areas such as the restaurants and the retail opportunities. The Garden's cafe at its entrance, The Pot Blodyn, was redesigned at the start of the year to provide a distinct offering available to the passing public as well as visitors to the main Garden. Emphasis, as in other eateries here, is on fresh local produce with a range of offerings from the Med café to our full restaurant as well as "pop up" food outlets for special events. The increase in visitor numbers and our changing visitor profile mean that the Garden's ability to service different demands is at the heart of our development both in catering and retail. Additional facilities such as an improved car parking area, better drainage and reed bed improvements for foul water processing have been addressed whilst being mindful of the demands of updating and maintaining a large site with significant, complex infrastructure. Further works have included improvements to rain water harvesting and installing a new climate control system for the Great Glass House.

The Garden continues to increase and diversify the Garden's living collections which currently feature 5,927 different types of plants in 23 themed gardens. The Apothecary's Garden has been redesigned to better represent plants with medicinal value. The planting scheme will incorporate eight beds each representing different systems of the body. This new scheme was the centre of the Garden's exhibit at the 2017 RHS Cardiff Show allowing the Garden to interact with the 30,000 show visitors.

Securing the future of horticulture as a career is central to the Garden's apprenticeship scheme which continues to attract funding support from organisations such as the National Garden Scheme, the Ernest Cook Trust and Finnis Scott Foundation as well as the scheme's founder, Colonel Patrick Daniell. A second apprentice was recruited in September 2016 with two more due to join them this coming autumn.

## Trustees' Report (continued)

Activities are not limited to our site here in Carmarthenshire. Our horticulturists are engaged with road contractors to develop a contract growing programme for habitat restoration. Our education team are increasingly visiting schools to deliver education in a range of STEM subjects enabling them to take the Garden ethos pan Wales to both staff and children for main stream education and professional development. Our science team continue to work with a range of academic institutions both here in Wales as well as internationally, on conservation and research initiatives such as barcoding of pollen to help asthma sufferers, conserving threatened plants, pollinators and habitats as far away as Borneo. Formal academic publications have also been central to the science team's influence on topical issues such as the plight of pollinators with the publication of a paper in the scientific journal *Science Today*.

Looking to the future, the Garden was delighted to be awarded Heritage Lottery Funding of £3.55m in March 2017 to complete the funding for the £6.3m restoration of the Regency Landscape and Lakes which is scheduled to be completed by August 2020. The Garden is targeting an increase in visitor numbers of around 50,000 per annum over five years as it becomes an established heritage tourism destination in the region.

In addition, the Garden concluded an agreement with local company, Pembrokeshire Falconry, to establish a British Bird of Prey Centre on its estate and construction of two new buildings to house this attraction was commenced during the year. The Garden has also begun to seek investment for future developments to provide camping, glamping and motor-home accommodation for visitors and learners as components of its programme for growth.

The Garden continues its efforts to seek unrestricted funds and specific sponsorship from individuals and companies and encourage donations through its ongoing legacy campaigning.

### Financial review

In the year, total resources of £2.9m (2016: £3.3m) were received comprising £2.4m (2016: £2.4m) of unrestricted funds and £0.5m (2016: £0.9m) of restricted income.

Total expended resources in the year amounted to £3.6m (2016: £4.0m). £2.7m (2016: £2.6m) was expended from unrestricted funds leaving an unrestricted fund balance carried forward of £3.1m (2016: £3.4m). £0.9m (2016: £1.4m) was expended from restricted funds leaving a restricted fund balance carried forward of £20.1m (2016: £20.5m). Total fund balances at 31 March 2017 were £23.2m (2016: £23.9m).

Tangible fixed assets at cost or valuation reduced to £24.4m (2016: £25.1m) representing £23.2m (2016: £23.9m) of land, buildings, plant and machinery and £1.2m (2016: £1.2m) in estate vehicles, fixtures and fittings and plants and planting.

The Board recognises the need to secure viability beyond the immediate future and to provide a sustainable operation over the longer term. A free reserve range of between £0.5m to £0.8m is considered appropriate to meet the needs of the Charity. The Garden's reserves policy is informed by:

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

Unrestricted reserves decreased by £0.3m to £3.1m. These are funds which are expendable at the Board's discretion in furtherance of the objects or administration of the Charity. Currently all the reserves are invested in the infrastructure of the Garden and there are no freely available reserves. The Garden aims to build its reserves in the future.

## Trustees' Report (continued)

Whilst the Garden broadly raises over half its own income, it also receives financial support from a number of partner organisations, including the Welsh Government and Carmarthenshire County Council. The Garden has agreed a combined funding package to March 2018 with these partners, which provides revenue support for 2017/18 of £611k in addition to funding for capital projects of £95k per annum. This funding package will enable it to continue its activities.

### Future plans

The Garden has prepared its budget and business plan for the year commencing 1 April 2017. Key objectives for the year are:

- To complete a five-year plan for the development of horticulture with a new staff structure to improve efficiency and team work and a fundraising strategy to support horticultural operations.
- To continue with research investigating temporal and spatial plant use by honeybees. This will involve identifying plants used by honeybees and wild pollinators and using this research to develop seed mixes and planting plans.
- To secure investment in a number of new developments to strengthen the Garden's commercial offer and financial sustainability. These include the British Bird of Prey Centre, glamping, camping and caravanning site, large scale annual events/festivals, summer school and residential educational courses including a DNA academy.
- To develop our education offering with increased marketing and review courses to align closely with school syllabus, the Donaldson report and to include Chemistry, Physics and Astronomy. Work will also occur to widen audiences to include special schools, teacher development working on new courses to drive repeat school visits.
- To develop interpretation around the Garden to help visitors to understand and enjoy our displays and values, to market the Garden to attract new visitors as well as manage visitor flow.
- To increase commercial return by enhancing the gatehouse retail offering, signage and increase the number of coach groups, special events and offers. A review of our main shop is also aimed to review the stock lines in the light of a widening visitor demographic and our plant sales area is to focus on specialist plants grown in the Garden extending opening hours and skill and staffing levels to increase sales and improve customer experience. Our catering offering also aims to increase staff knowledge of Welsh produce contributing to an improved customer experience as well as managing core costs.
- To secure final funding confirmations to enable the start of the Regency Restoration Project leading to the commencement of this project delivery with appropriate controls to manage costs and timescales whilst engaging with project collaborators to maximise its benefits.
- To ensure that the corporate centre of the organisation focuses on good governance at board level and throughout the organisation, monitoring risk, continuing to identify new opportunities to develop whilst ensuring that the resources are efficiently used and sufficient to meet this period of development.
- To develop and refresh fundraising opportunities such as legacy giving, donor profiling and supplier involvement as well as to seek grant funding and sponsorship with partner organisations.

## Trustees' Report (continued)

### Volunteers, employees and remuneration

The Garden is extremely grateful for the tremendous efforts of the volunteers who are involved in so many ways in the charity's activities including operational duties (horticultural, library, talks, buggy driving, commercial support, archaeological work and many more), administration and marketing support. The Garden has around 250 active volunteers and many come to assist the Garden on a weekly basis. This has resulted in a total of over 31,000 hours of voluntary input this year, the equivalent of 16 full time staff.

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

The Garden has a number of policies in force concerning aspects of employment and regularly reviews these to ensure that they remain relevant and that changes in legislation are reflected. Details of these policies are available from the Garden's offices.

The Board and members of the sub committees receive no remuneration. No other expenses were paid.

The salaries of the senior management team are determined by the Board upon their employment and by periodic review. This remuneration does not include any share option or long-term incentive schemes. The Garden operates two alternative pension schemes; a scheme with Standard Life available for all permanent staff or an alternative qualifying pension scheme for auto enrolment purposes with NEST. Both schemes enable contributions for both employee and employer to be made in line with, or in excess of statutory provisions.

### 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 him 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 Messrs Clay Shaw Butler, Carmarthen as auditors of the Company is to be proposed at the Annual General Meeting.

By order of the Board



**RH Jolliffe**  
*Chairman of Trustees*

Date

20/12/17

Middleton Hall  
Llanarthne  
Carmarthenshire  
SA32 8HG

## Statement of responsibilities of the Trustees of the National Botanic Garden of Wales Limited in respect of the Trustee's annual report and financial statements

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the charitable company will continue in operation.

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

In so far as the Trustees are aware:

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NATIONAL BOTANIC GARDEN OF WALES**

We have audited the financial statements of the National Botanic Garden of Wales for the year ended 31 March 2017 on pages 15 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditors**

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

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Registered company number 02909098

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NATIONAL BOTANIC GARDEN OF WALES

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

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

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

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

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

### 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 achieve its operating budget and 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.



Mark Jones ACA (Senior Statutory Auditor)  
for and on behalf of Clay Shaw Butler Limited  
Statutory Auditors and Chartered Accountants  
24 Lammas Street  
Carmarthen  
Carmarthenshire  
SA31 3AL

Date: .....21/12/2017.....

Registered company number 02909098

**Consolidated Statement of Financial Activities, including income and expenditure account for the year ended 31 March 2017**

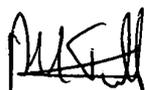
	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>Income and endowments</b>					
<b>Income from generated funds:</b>					
Donations and Legacies					
Donations and gifts	2	115	63	178	208
Grants receivable	2	31	10	41	16
Other trading activities					
Fundraising events	2	139	-	139	128
Merchandising income	2	1,015	-	1,015	913
Income from Investments	2	1	-	1	5
<b>Income from charitable activities:</b>					
Grants receivable	3	631	453	1,084	1,626
Admission fees	3	398	-	398	362
Other income	3	38	-	38	48
<b>Other</b>		<b>4</b>	<b>-</b>	<b>4</b>	<b>3</b>
<b>Total income and endowments</b>		<b>2,372</b>	<b>526</b>	<b>2,898</b>	<b>3,309</b>
<b>Expenditure on:</b>					
<b>Raising funds:</b>					
Merchandising costs	4	816	-	816	746
Fundraising costs	4	270	-	270	237
<b>Charitable activities</b>	<b>4</b>	<b>1,572</b>	<b>944</b>	<b>2,516</b>	<b>3,007</b>
<b>Total expenditure</b>		<b>2,658</b>	<b>944</b>	<b>3,602</b>	<b>3,990</b>
<b>Net income/(expenditure)</b>		<b>(286)</b>	<b>(418)</b>	<b>(704)</b>	<b>(681)</b>
Net gains/(losses) on investments		-	-	-	-
<b>Net movement in funds before tax</b>		<b>(286)</b>	<b>(418)</b>	<b>(704)</b>	<b>(310)</b>
Taxation		-	-	-	-
<b>Net movement in funds after tax</b>		<b>(286)</b>	<b>(418)</b>	<b>(704)</b>	<b>(681)</b>
<b>Reconciliation of funds</b>					
Fund balance brought forward		3,357	20,506	23,863	24,544
<b>Fund balance carried forward</b>		<b>3,071</b>	<b>20,088</b>	<b>23,159</b>	<b>23,863</b>

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. The gross income of the parent charity is £1,860,000 and the net movement of funds of the parent charity is £704,000.

**Consolidated balance sheet as at 31 March 2017**

	Note	31 March 2017		31 March 2016	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible-assets	10		24,422		25,125
Investments	11		-		-
			<u>24,422</u>		<u>25,125</u>
<b>Current assets</b>					
Stock	12	121		126	
Debtors	13	192		271	
Cash at bank		1,003		689	
		<u>1,316</u>		<u>1,086</u>	
<b>Creditors:</b>					
Amounts falling due within one year	14	(1,229)		(988)	
<b>Net current assets</b>			<u>87</u>		<u>98</u>
<b>Total assets less current liabilities</b>			<u>24,509</u>		<u>25,224</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	15		(1,350)		(1,360)
<b>Net assets</b>			<u>23,159</u>		<u>23,863</u>
<b>Fund balances</b>					
Restricted funds	16		20,088		20,506
Unrestricted funds	17		3,071		3,357
<b>Total funds</b>	18		<u>23,159</u>		<u>23,863</u>

These financial statements were approved by the Board of Trustees on 20/12/17..... and were signed on its behalf by:



**RH Jolliffe**  
 Chairman

**Company balance sheet as at 31 March 2017**

	Note	31 March 2017		31 March 2016	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	10		24,422		25,125
Investments	11		-		-
			<u>24,422</u>		<u>25,125</u>
<b>Current assets</b>					
Stock	12	19		18	
Debtors	13	221		313	
Cash at bank		1,003		689	
		<u>1,243</u>		<u>1,021</u>	
<b>Creditors:</b>					
Amounts falling due within one year	14	(1,156)		(922)	
<b>Net current assets</b>			<u>87</u>		<u>98</u>
<b>Total assets less current liabilities</b>			<u>24,509</u>		<u>25,223</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	15		(1,350)		(1,360)
<b>Net assets</b>			<u>23,159</u>		<u>23,863</u>
<b>Fund balances</b>					
Restricted funds	16		20,088		20,506
Unrestricted funds	17		3,071		3,357
<b>Total funds</b>	18		<u>23,159</u>		<u>23,863</u>

These financial statements were approved by the Board of Trustees on 20/12/17 and were signed on its behalf by:



**RH Jolliffe**  
 Chairman

## Consolidated cash flow statement for the year ended 31 March 2017

	Note	2017		2016	
		£000	£000	£000	£000
Net cash inflow from operating activities	19		577		(315)
<b>Returns on investments and servicing of Finance</b>					
Interest paid			-		-
			577		(315)
<b>Capital expenditure</b>					
Proceeds from sale of fixed assets		-		-	
Payments to acquire tangible fixed assets		(243)		(244)	
		(243)		(244)	
<b>Net cash flow before use of liquid resources and financing</b>			<b>334</b>		<b>(559)</b>
<b>Financing</b>					
Loans		-		-	
Loan repayment		(20)		(41)	
			(20)		(41)
Increase/(decrease) in cash	20		<b>314</b>		<b>(600)</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. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Charities SORP (FRS 102) applicable UK Accounting Standards, the Charities Act 2011 and the Companies Act 2006. 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 2006.

#### ***Going concern***

The financial statements are prepared on a going concern basis which the Trustees believe to be appropriate for the following reasons;

- The Garden has prepared projected cash flow information for the period ending twelve months from the date of the 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 cash resources available to it.
- The Garden is supported by the Welsh Government and Carmarthenshire County Council ("CCC") who currently provide combined revenue support of £611,000 in the year to 31 March 2018. The Garden is currently engaged in a review of the funding agreement from April 2018 onwards. WG has indicated that the level of funding to be granted next year will be the same as that currently provided but is dependent upon final confirmation before the end of the current financial year. The Trustees are of the view that this continued support will be sufficient to enable the Garden to continue to trade as a going concern.

The Trustees are also aware of the liability of £1,350,000 owed to CCC which is effectively secured on certain properties. The loan repayment date is currently March 2018 and CCC has indicated that they are prepared to extend the term of this loan as in the past.

#### ***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 that are expendable at the discretion of the Trustees in furtherance of the objects or administration of the Charity.

##### ***Restricted funds***

Restricted 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. The donation and income deriving therefrom may be utilised by the organisation. These funds include all grants receivable for specific purposes related to the relevant project as well as gifts of land which must be retained by the charity.

## Notes (continued) – Accounting policies (continued)

### ***Basis of consolidation***

The statement of financial activities and balance sheet consolidate the financial statements of the Garden 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 408 of the Companies Act 2006 and paragraph 397 of the Statement of Recommended Practice: Charities SORP (FRS 102).

### ***Tangible fixed asset 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
Vehicles	-	25% per annum
Capitalised finance costs	-	term of the finance agreement

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

Assets purchased are capitalised over a de minimis level of £100.

### ***Expenditure***

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

Merchandising costs comprise of the costs of staff employed on the farm and in the restaurant, shop and plant sales areas of the Garden together with the cost of goods sold and the operation costs of these areas and the cost of the events undertaken.

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 raising 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.

## Notes (continued) – Accounting policies (continued)

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**

Incoming resources represent the total income receivable during the year comprising admissions, membership subscriptions, income from educational activities, fundraising income, merchandising income, legacies, donations and other sundry income.

Membership subscriptions (including life memberships) are recognised in the accounts when the funds are received. Investment income is recognised on a receivable basis.

Voluntary income, including donations and gifts or that of a voluntary nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement. This includes capital grants.

All other sources of income are recognised as services are provided. No income has been reported net of expenditure.

### **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.

### **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 102.

### **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 estimated by the charity based upon the open market price the charity would have to pay.

**Notes (continued) – Accounting policies (continued)**

**Leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. 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 two defined contribution pension schemes. The assets of the schemes are held separately from those of the Charity in independently administered funds. The amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

**2. Analysis of income from generated funds**

	2017 £000	2016 £000
<b>Donations and legacies</b>		
Gift Aid	65	65
Donations and gifts	112	67
Legacies	1	76
	<u>178</u>	<u>208</u>
<b>Grants receivable</b>		
Welsh Government	41	16
Other	-	-
	<u>41</u>	<u>16</u>
<b>Fundraising events</b>		
Membership & fundraising	121	103
Events	18	25
	<u>139</u>	<u>128</u>
<b>Merchandising income</b>		
Sale of goods	<u>1,015</u>	<u>913</u>
<b>Income from investments</b>		
Bank deposit interest	<u>1</u>	<u>5</u>

## Notes (continued)

### 3. Analysis of income from charitable activities

	2017 £000	2016 £000
<b>Grants receivable</b>		
Welsh Government	875	1,055
Heritage Lottery Fund	116	181
Garfield Weston	-	162
Carmarthenshire County Council	50	70
Natural Resources Wales	-	7
Others	43	151
	<u>1,084</u>	<u>1,626</u>
<b>Admissions</b>	<u>398</u>	<u>362</u>
<b>Other income</b>		
Education events	38	45
Other	-	3
	<u>38</u>	<u>48</u>

### 4. Analysis of total expenditure

	Staff Costs £000	Other £000	Depreciation £000	Total 2017 £000	Total 2016 £000
Merchandising costs	360	456	-	816	746
Fundraising and publicity	152	118	-	270	237
Charitable Activities					
Costs of activities in furtherance of the Charity's objects	707	551	-	1,258	1,630
Support costs	168	144	946	1,258	1,377
	875	695	946	2,516	3,007
	<u>1,387</u>	<u>1,269</u>	<u>946</u>	<u>3,602</u>	<u>3,990</u>
				2017 £000	2016 £000
<b>Other merchandising costs comprise:</b>					
Shop, catering and plant costs				418	358
Events				38	49
				<u>456</u>	<u>407</u>
<b>Other fundraising and publicity costs comprise:</b>					
Marketing				118	86

## Notes (continued)

### 4 Analysis of total expenditure (continued)

	2017 £000	2016 £000
<b>Other costs in furtherance of the Charity's objects comprise:</b>		
Horticulture	24	26
Operations	506	581
Science & Education	21	116
	<u>551</u>	<u>723</u>
<b>Other support costs comprise:</b>		
Insurance and administration	107	188
Establishment	16	(12)
Legal and professional	9	15
Auditors fees	12	12
	<u>144</u>	<u>203</u>

### 5 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 (full time equivalent)	
	2017 No.	2016 No.
Permanent		
Technical	30	32
Administration	16	20
Retail and operations	22	21
	<u>68</u>	<u>73</u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	1,230	1,386
Social security costs	87	93
Pension costs	23	25
	<u>1,340</u>	<u>1,504</u>

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

	No.	No.
£60,001 to £70,000	1	-
£70,001 to £80,000	-	1
Contribution to private pensions	<u>£1,352</u>	<u>£750</u>

**Notes (continued)**

**5. Staff numbers and costs (continued)**

	<b>2017</b>	2016
	<b>£000</b>	£000
The aggregate payroll cost of the senior management team was:	<u><b>290</b></u>	<u>335</u>

The senior management team comprise the Director of the Garden, the Curator, the Head of Development, the Head of Finance & Company Secretary, the Head of Conservation and Research, the Head of Facilities, the Head of Marketing and Communications, the Head of Trading and Admissions and the Head of Catering and Corporate.

**(ii) Trustees**

The average number of Trustees during the year was 11 (2016: 13). The Trustees received no remuneration or reimbursement of travel and out of pocket expenses in the year (2016 expenses: £nil).

**6. Net income/(expenditure)**

	<b>2017</b>	2016
	<b>£000</b>	£000
Auditors' remuneration	<b>12</b>	12
Professional fees		
Engineering & Design consultancy	<b>108</b>	145
Ecological consultancy	<b>24</b>	-
Farm management	<b>18</b>	18
Project evaluation/business modelling	<b>16</b>	43
Archaeological consultancy	<b>6</b>	68
Legal fees	<b>1</b>	9
Other	<b>30</b>	91
Depreciation:		
Owned assets	<b>677</b>	658
Leased assets	<b>269</b>	269

## Notes (continued)

### 7. Prior year comparative figures for the consolidated Statement of Financial Activities

Comparative figures for the Statement of Financial Activities for the year ended 31 March 2016, splitting income and expenditure between unrestricted and restricted funds are provided below in accordance with the Charities SORP (FRS 102).

	Unrestricted Funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000
Donations and gifts	200	8	208
Grants receivable	15	1	16
Fundraising events	128	-	128
Merchandising income	913	-	913
Investment income	5	-	5
Grant income from charitable activities	720	906	1,626
Admission fees	362	-	362
Other income from charitable activities	48	-	48
Other income	3	-	3
<b>Total income and endowments</b>	<b>2,394</b>	<b>915</b>	<b>3,309</b>
Merchandising costs	746	-	746
Expenditure of raising funds	237	-	237
Charitable activity expenditure	1,575	1,432	3,007
<b>Total Expenditure</b>	<b>2,558</b>	<b>1,432</b>	<b>3,990</b>
<b>Net movement of funds</b>	<b>(164)</b>	<b>(517)</b>	<b>(681)</b>

### 8. Tax

The National Botanic Garden of Wales is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 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 shops, catering and a farm business in the botanic garden. A summary of the results of the subsidiary is shown below:

Notes (continued)

	2017 £000	2016 £000
Turnover	972	862
Cost of sales	(598)	(514)
Gross profit	374	348
Administrative expenses	(240)	(264)
Charitable donation to parent organisation	(134)	(84)
Profit on ordinary activities before tax	-	-
Taxation	-	-
Profit for the year	-	-
<b>Represented by:</b>		
Current assets	117	113
Current liabilities	(117)	(113)
<b>Net Assets</b>	-	-
Called up share capital	-	-
Profit and loss account	-	-
<b>Shareholders' funds - equity</b>	-	-

10. Tangible fixed assets – Group and Company

	Freehold land £000	Long leasehold buildings £000	Long leasehold land £000	Plant and machinery £000	Fixtures, fittings and vehicles £000	Plants and planting £000	Total £000
<b>Cost or valuation</b>							
At 1 April 2016	495	23,458	1,225	8,736	1,334	972	36,220
Additions	-	78	-	39	125	1	243
Disposals	-	-	-	(17)	(405)	-	(422)
At 31 March 2017	495	23,536	1,225	8,758	1,054	973	36,041
<b>Depreciation</b>							
At 1 April 2016	-	7,399	-	2,556	1,140	-	11,095
Charge for the year	-	469	-	408	69	-	946
Disposals	-	-	-	(17)	(405)	-	(422)
At 31 March 2017	-	7,868	-	2,947	804	-	11,619
<b>Net book value</b>							
At 31 March 2017	495	15,668	1,225	5,811	250	973	24,422
At 31 March 2016	495	16,059	1,225	6,180	194	972	25,125

## Notes (continued)

All tangible fixed assets are used for charitable purposes.

An assessment of the net realisable value of the freehold land and buildings and long leasehold land and buildings at historic cost has been undertaken by the Trustees. As the assets are maintained and such repair costs are charged to the statement of Financial Activities, it is the view of the Trustees that materially the net realisable value remains at historic cost.

Depreciation is charged on the leasehold buildings (excluding land) on the cost less estimated residual value over 50 years. No depreciation is provided on freehold land and long leasehold land.

An impairment review is carried out on an annual basis on plant and machinery, fixtures and fittings and plants and planting. The Trustees consider that the market value of the freehold land and buildings and long leasehold land and buildings is at least as much as the carrying value in the accounts.

Included in the total net book value of plant and machinery is £4,883,200 (2016: £5,152,000) in respect of assets held under finance leases. Depreciation for the year on these assets was £268,800 (2016: £268,800).

The net book value of plant and machinery includes £467,840 (2016: £495,360) of capitalised finance costs.

### 11. Fixed asset investments

The Company has an investment in a subsidiary undertaking at a cost of £1, the details of which are as follows:

Subsidiary	Country of Registration	Proportion of issued 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 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Goods for resale	<u>121</u>	<u>126</u>	<u>19</u>	<u>18</u>

### 13. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade debtors	24	12	9	5
Amounts owed by subsidiary undertakings	-	-	44	49
Grants receivable	56	131	56	131
Other debtors	48	51	48	51
Prepayments	64	77	64	77
	<u>192</u>	<u>271</u>	<u>221</u>	<u>313</u>

## Notes (continued)

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

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade creditors	522	423	474	393
Accruals	676	525	651	489
Loans repayable within 12 months	10	20	10	20
Other tax and social security	21	20	21	20
	<u>1,229</u>	<u>988</u>	<u>1,156</u>	<u>922</u>

A legal mortgage is in place on the Company's freehold land and leasehold buildings in favour of the Millennium Commission to secure all monies and liabilities advance by the Commission to the Company. This mortgage restricts the use of the assets to that of a botanical garden. The Welsh Government and Lombard Property Facilities Limited also have legal charges over part of the leasehold and freehold land of the Company. NatWest also have a registered debenture but there are currently no borrowings outstanding.

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

	2017 £000	2016 £000
Secured loan	1,350	1,350
Unsecured loans	-	10
	<u>1,350</u>	<u>1,360</u>

The loan of £1,350,000 from Carmarthenshire County Council is secured on certain properties. Repayment of this loan is deferred until March 2018. The interest on this loan has been waived.

In May 2000, the Charity entered into a lease and leaseback agreement in respect of certain land, buildings and plant with Lombard Property Facilities Limited. In June 2010 this lease was repaid and an option lease for 75 years was entered into with Lombard over the same assets. Rental under this lease arrangement is approximately £5,000 per annum. The obligations under this finance lease are secured by a mortgage debenture providing a fixed and floating charge over the Company's land and buildings.

## Notes (continued)

### 16. Restricted funds

	Balance at 1 April 2016 £000	Incoming resources £000	Resources expended £000	Balance at 31 March 2017 £000
Millennium Commission	13,129	-	(366)	12,763
European Regional Development Fund	2,758	-	(159)	2,599
Welsh Government	2,564	305	(265)	2,604
Land	1,525	-	-	1,525
Other sources	530	158	(91)	597
	<u>20,506</u>	<u>463</u>	<u>(881)</u>	<u>20,088</u>

Restricted funds relate to the purchase, development and maintenance of the botanic garden in Carmarthenshire. The Millennium Commission has supported the project approving grants for £22.3m. The European Regional Development Fund has also supported the project in the sum of £6.3m and the Welsh Government (including funds from Welsh Development Agency and Wales Tourist Board) has provided restricted grant funding of £4.8m.

### 17. Unrestricted funds - Group and Company

	2017 £000	2016 £000
Balance at 1 April 2016	3,357	3,521
Net incoming / (outgoing) resources	(286)	(164)
Balance at 31 March 2017	<u>3,071</u>	<u>3,357</u>

### 18. Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Fixed assets	4,334	20,088	24,422	25,125
Net current assets /liabilities	87	-	87	98
Creditors: amounts due after more than one year	(1,350)	-	(1,350)	(1,360)
	<u>3,071</u>	<u>20,088</u>	<u>23,159</u>	<u>23,863</u>

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.

**Notes (continued)**

**19. Reconciliation of net incoming resources to net cash inflow from operating activities**

	<b>2017</b>	2016
	<b>£000</b>	£000
Net (outgoing)/incoming resources for the year before other recognised gains and losses	(704)	(681)
Interest receivable	-	-
Interest payable	-	-
Income arising on financing arrangement	-	-
Operating surplus/ (deficit)	<u>(704)</u>	<u>(681)</u>
Depreciation	946	926
(Profit)/Loss on disposal of fixed assets	-	1
Movement in stock	5	(29)
Movement in debtors	79	(21)
Movement in creditors	251	(511)
Net cash inflow from operating activities	<u><u>577</u></u>	<u><u>(315)</u></u>

**20. Reconciliation of net cash flow to movement in net debt**

	<i>Note</i>	<b>2017</b>	2016
		<b>£000</b>	£000
Increase / (decrease) in cash in the year		<b>314</b>	(600)
Change in net debt from cash flow		<u>314</u>	<u>(600)</u>
Other movements			
- Loan finance		-	-
- Loan repayments		<b>20</b>	41
Movement in net in year		<u><b>334</b></u>	<u>(559)</u>
Net debt brought forward	21	<b>(692)</b>	(133)
Net debt carried forward	21	<u><b>(358)</b></u>	<u>(692)</u>

**21. Analysis of changes in net debt**

	<b>Cash at bank</b>	<b>Other loans</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 April 2016	689	(1,381)	<b>(692)</b>
Cash flow	314	-	<b>314</b>
Other movements			
- loan repayments	-	20	<b>20</b>
As at 31 March 2017	<u>1,003</u>	<u>(1,361)</u>	<u><b>(358)</b></u>

## Notes (continued)

### 22. 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 2017 was 42 (2016: 41).

### 23. Capital commitments

As at 31 March 2017, the Garden had not committed to any capital costs (2016: £nil).

### 24. Indemnity insurance

The Charity has an insurance policy in place that indemnifies the Charity against losses arising from negligence or default of the Trustees and Officers. The cost of this policy was £2,289 (2016: £2,289).

### 25. Pension contributions

The Charity operates two defined contribution pension schemes. The amount charged to the Statement of Financial Activities during the year was £22,837 (2016: £24,622). Pension contributions representing one month's deductions of £4,183 (2015: £3,502) were outstanding at the end of the year and paid shortly after the year end.

The Garden is aware of its obligations under the Pensions Act 2008 and has complied with the requirements of pension auto enrolment.

### 26. Related parties

The Charity is exempt under Financial Reporting Standard 102 from the requirement to disclose transactions with its subsidiary undertaking Middleton Garden Limited.

### 27. Subsequent events

Since the year end, the Garden has secured full funding for its £7m project to restore its Lakes and Regency landscape. Formal consent to proceed has now been received from the principal funder, The Heritage Lottery Fund and works are underway.

### 28. Ultimate Controlling Party

The charity is under the control of the Trustees. There is no single controlling party.