

Company Registration Number 02331440
Charity Number 801349

EXBURY GARDENS LIMITED
(A company limited by guarantee)

Report and Financial Statements

Year ended 31 October 2015

(- 13/05/2016)

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EXBURY GARDENS LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 2015

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EXBURY GARDENS LIMITED
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISERS

PRESIDENT

N D de Rothschild

DIRECTORS AND TRUSTEES

D L de Rothschild (Chairman)
Miss C H de Rothschild
Mrs C J L de Rothschild
M A P Agius
Miss M-L E Agius
Sir Ghilleen Prance
H Johnson

SECRETARY

G J Ker

MANAGING AGENTS

Savills incorporating Smiths Gore

REGISTERED OFFICE

Estate Office
Exbury
Southampton
Hampshire SO45 1AZ

BANKERS

HSBC Bank Plc
17 The Marsh
Hythe
Southampton SO45 6ZB

SOLICITORS

Thomas Eggar LLP
Belmont House
Station Way
Crawley
West Sussex RH10 1JA

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge

EXBURY GARDENS LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
Year ended 31 October 2015

The trustees, who are also the directors of the charitable company for the purposes of company law, present their annual report and the audited consolidated financial statements for the year ended 31 October 2015.

The trustees' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

LEGAL AND ADMINISTRATIVE DETAILS

The company is registered as a charity, number 801349, and is limited by guarantee, number 2331440. Legal and administrative information is set out on page 1 and forms part of this report. The governing body of the charity is the Board of Directors and its governing documents are the memorandum and articles of association. There are no restrictions upon the way the charity can operate or upon the investment powers of the directors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Exbury Gardens Limited (EGL) is constituted and governed by the Memorandum and Articles of Association incorporated on 29 December 1988 as amended by special resolution on 22 March 1989 to be run as a limited company.

Directors are appointed on the basis of consideration of the skills required by the Charity. Potential candidates are generally identified through associations with present directors and appointments made for the candidate's experience, expertise and commitment that they are able to bring to the Charity. While adopted directors are not formally trained or inducted, or the effectiveness of the Board reviewed in a formal way, we, the directors, review the achievements of the Charity and any individual matters are addressed.

The directors of Exbury Gardens Limited manage the business by way of formal quarterly meetings to discuss matters including the setting of policies and strategic objectives. The implementation of these policies is delegated to a management committee that meets on a monthly basis, and at present two directors sit on this committee on a core basis. Day-to-day management of non-strategic matters is delegated to the Managing Agent and Head Gardener, supported by the Marketing Manager and Visitor Services Manager. In addition, the company has introduced a Strategy Day, to coincide with one of Exbury Gardens Trust's two meetings a year, for directors of the gardens and trustees of the trust to meet and discuss overall strategy.

The directors manage their risks through the above structure and regularly review these, whether financial, health and safety, employment or other risks to which the company may be exposed. The systems of management are reviewed and procedures established to manage those risks.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objectives of EGL, as set, are

1. To maintain, improve, develop and preserve for the public benefit and to open to the public, Exbury Gardens in Hampshire.
2. To advance horticultural science, knowledge and learning for the public benefit.
3. To promote such other objects or purposes which are exclusively charitable according to the laws of England for the time being in force.

For the year the main objectives were to carry out the above with continued focus on maintaining the visitor experience and horticultural excellence within the gardens.

The directors have continued to have regard to the Charity Commission Guidance on Public Benefit.

EXBURY GARDENS LIMITED
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TRUSTEES' REPORT
Year ended 31 October 2015

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR FUTURE PERIODS

The gardens were open to the public from Saturday 14 March to Sunday 8 November 2015 and received 81,983 visitors, up 6% on the previous year. Trading income increased by 9% on the previous year with performance due, in part, to the uplift in income from peak season tickets and increase in visitor numbers over the year. Expenditure was as expected, with the focus being to maintain and improve the existing offering within the gardens and railway.

The directors increased income by introducing a new spring tariff to reflect Exbury's peak flowering season between 13 April and 17 May.

As with all open air attractions the good weather in 2015 played a large part in attracting additional visitors. The year started generally wet, cold and mild though from mid-February the weather turned fine creating a long period of cool dry sunny weather stretching to early June resulting in one of the best spring flowering displays for many years.

There was a large amount of press coverage of the garden both on television and within the national newspapers. The gardens featured on ITV Meridian and Good Morning Britain whilst photographs and articles of the gardens in bloom were featured in The Guardian, The Times, The Financial Times, The Independent and the Daily Mail.

Upon application and scrutiny, donations were received by the company during the year from Exbury Gardens Trust (EGT). These were gratefully received by the trustees and used to improve the gardens and working environment with an increased focus on summer colour, irrigation, garden machinery and equipment. Planting of the daffodil meadow continued, together with the development of the Gilbury Lane Garden and Azalea Drive replanting. To reduce the annual boiler maintenance costs for the trains, the company invested in a water treatment system to reduce limescale building up in the boilers and new soft furnishings were purchased to improve the customer environment in the overspill restaurant of Mr Eddy's Tea Rooms.

In June, Susie James was appointed the new marketing manager and supported by EGT, the marketing emphasis shifted from print to digital media with increasing emphasis focusing on social media platforms such as Facebook, Instagram, Twitter and the introduction of the garden heliCam footage being distributed via screens on Red Funnel Ferries and the Isle of Wight passenger ferry, Red Jet.

FINANCIAL REVIEW

The trustees confirm that the accounts comply with the requirements of the Memorandum and Articles of Association.

At the end of the year unrestricted funds carried forward were £626,243 (2014: £698,022) and the restricted funds carried forward for the year were £240,780 (2014: £240,780). Further to the strategic review and further discussions on deficit support, the Chairman agreed Terms of Business between EGL and EGT agreeing in principle that EGT would fund up to £200k per annum, such sum to be reviewed every three years, to cover donations, working capital and deficit, paid down to EGL so that over the year the overdraft and borrowings of EGL should remain constant.

The budgets have been set on an enterprise and event basis to enable accurate analysis of each element of the business to assist with future management. The gardens have had a strong start to the 2016 season with the introduction of a new railway event, the Postal Express, over the Christmas holidays. Out of season a new website and till system has been introduced to facilitate online ticket sales for next season.

EXBURY GARDENS LIMITED
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TRUSTEES' REPORT
Year ended 31 October 2015

GOING CONCERN

The trustees have satisfied themselves that the company is a going concern and has adequate resources to continue in operational existence for the foreseeable future. In forming this view the directors made appropriate enquiries into the financial position of and resources available to the company including those provided by related parties.

In reviewing the company's financial position the directors have noted the current year's trading performance. The reported income from the management accounts was £900,146 for the financial year, including rents received.

The trustees have resolved the requirement for working capital in the business having agreed terms of ongoing support from Exbury Gardens Trust as set out above. From discussions with the directors of this charity the directors believe that adequate funds will continue to be made available to support the company during the next twelve months. A formal undertaking by Exbury Gardens Trust has been received to this effect to 31 October 2017. In addition, the company has previously secured a loan of £500,000 against the Trust's endowment with an option of obtaining a further £250,000 if and when required.

For 2016 year the directors are grateful for the informal confirmation of unrestricted donations to be given during the year to the sum of £174,000 from Exbury Gardens Trust with £26,000 held in reserve. These and the above formal undertaking give the directors confidence in the ongoing support to the company by these charities.

The directors have reviewed the challenges facing the business for the next twelve months and in the longer term. The most immediate of these are the impact of the weather on visitor numbers and the changing trends in the popularity of places to visit, weekend shopping being the most popular activity. Generally, there is increasing competition in the visitor attraction market and requirements for ever higher standards in this industry.

As the company is a not for profit organisation and is run for public benefit the directors have added further ways to increase public involvement. In particular, they continue to develop the volunteer programme in the gardens to allow members of the public more hands-on involvement in the horticultural activities.

The directors continue to monitor closely all aspects of the business through regular meetings with the senior management of the company and carry out regular internal reviews of the structure and governance of the company.

Therefore the directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustment that would result from the withdrawal of support from Exbury Gardens Trust. Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

EXBURY GARDENS LIMITED
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TRUSTEES' REPORT
Year ended 31 October 2015

RISK MANAGEMENT

The directors have the overall responsibility for ensuring that the company has an appropriate system of controls, financial and otherwise. The systems of financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the directors;
- regular consideration by the directors of financial results and variance from budgets;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The directors have reviewed major risks and established systems together with appropriate monitoring procedures as a means to mitigate them.

Financial risk management

The directors have reviewed the financial risk management objectives and policies of the company. The directors do not believe there to be significant risks in this area. The company does not enter into any hedging instruments, as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the financing arrangements.

GENERAL RESERVES POLICY

The general unrestricted fund is held to support administration and overhead costs. The intention is that this should be grown and maintained in surplus. Such unrestricted income is available to be spent at the discretion of directors in the furtherance of the objects of the charity and may be used to finance both working capital and capital investment. Other funds are restricted to specific projects. The directors acknowledge that further unrestricted income is desirable in order to maintain general reserves at the level required to support the general administration and overheads of the charity.

CONNECTED CHARITIES

The charity is connected to:

The Exbury Gardens Trust of PO Box 472, St Julian's Court, St Julian's Avenue, Guernsey GY1 6AX, was founded by the late Mr Leopold de Rothschild to support that company at the discretion of its directors which has in recent years been in the form of assisting the company in its borrowing requirements, providing working capital / deficit support and funding capital projects.

During the year the Trust donated £190,500 (2014: £92,000) waived a loan of £nil (£230,000). In the prior year it gifted a property, Lime Tree Cottage worth £480,000.

Details of transactions with connected charities and other related parties are given in note 15 to the accounts.

TRANSFERS TO RESERVES

The results of the company for the year are set out on page 10. The net outgoing resources for the year of the company were £71,779 (2014: £550,509) and have been transferred to reserves.

The directors are satisfied that the charity's funds are available and adequate to fulfil its obligations.

EXBURY GARDENS LIMITED
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TRUSTEES' REPORT
Year ended 31 October 2015

DIRECTORS

The membership of the board is set out on page 1. All directors served throughout the year.

The method of appointment of the board is as follows:

- A director proposes a member to sit on the board and this proposal must be approved by the co-directors. The proposal is made at board meetings and recorded in the minutes.

No directors had, during the year, any material interest in a contract which was significant in relation to the company's business.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The appointment of auditors for the coming year is to be discussed at the forthcoming annual general meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D L de Rothschild

Director

Date:

19th May 2016

EXBURY GARDENS LIMITED
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are the directors of Exbury Gardens Limited for the purposes of company law) are responsible for preparing the 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. 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXBURY GARDENS LIMITED (A company limited by guarantee)

We have audited the financial statements of Exbury Gardens Limited for the year ended 31 October 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 16. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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 auditor

As explained more fully in the Trustees' Responsibilities Statement, 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 annual report 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 charitable company's affairs as at 31 October 2015 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

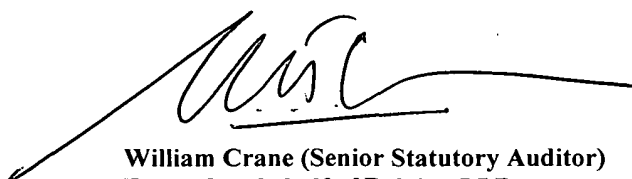
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXBURY GARDENS LIMITED (continued)

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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Trustees' Annual Report.



William Crane (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

23 May 2016

EXBURY GARDENS LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 October 2015

| | Note | Unrestric- ted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|-------------------------------------------------------------|------|------------------------------|--------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | |
| <i>Incoming resources from charitable activities:</i> | | | | | |
| Garden entrance fees | | 550,448 | - | 550,448 | 506,808 |
| <i>Incoming resources from generated funds:</i> | | | | | |
| Railway and buggy income | | 141,738 | - | 141,738 | 139,060 |
| Gift aid donations | | 86,265 | - | 86,265 | 79,249 |
| Rents and other income | | 79,234 | - | 79,234 | 81,891 |
| <i>Voluntary income:</i> | | | | | |
| - Exbury Gardens Trust | | 190,500 | - | 190,500 | 92,000 |
| - Other donations received | | 520 | - | 520 | 1,672 |
| Gifted assets | | - | - | - | 480,000 |
| Loan write off | | - | - | - | 230,000 |
| Total incoming resources | | 1,048,705 | - | 1,048,705 | 1,610,680 |
| RESOURCES EXPENDED | | | | | |
| <i>Costs of generating funds:</i> | | | | | |
| Fund raising and publicity | | 59,979 | - | 59,979 | 53,715 |
| <i>Charitable activities:</i> | | | | | |
| Costs of activities in furtherance of the charity's objects | 2 | 990,236 | - | 990,236 | 939,685 |
| Governance costs | 3 | 33,793 | - | 33,793 | 36,153 |
| Bank charges and interest | 6 | 36,476 | - | 36,476 | 30,618 |
| Total resources expended | | 1,120,484 | - | 1,120,484 | 1,060,171 |
| Net (outgoing) incoming resources for the year | 5 | (71,779) | - | (71,779) | 550,509 |
| Fund surplus brought forward at 1 November | 13 | 698,022 | 240,780 | 938,802 | 388,293 |
| Fund surplus carried forward at 31 October | 13 | 626,243 | 240,780 | 867,023 | 938,802 |

All income and expenses of the company relate to continuing operations.

There are no recognised gains or losses for the current or preceding financial year other than as stated in the statement of financial activities. Accordingly, no separate statement of gains and losses is given.

EXBURY GARDENS LIMITED
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BALANCE SHEET
31 October 2015

| | Note | 2015 £ | 2014 £ |
|----------------------------------------------------------------|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 1,270,463 | 1,338,625 |
| Investments in subsidiary | 8 | - | - |
| | | <u>1,270,463</u> | <u>1,338,625</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 119,797 | 82,267 |
| Cash at bank and in hand | | 193,150 | 39,515 |
| | | <u>312,947</u> | <u>121,782</u> |
| CREDITORS: amounts falling due within one year | 10 | <u>(627,680)</u> | <u>(414,508)</u> |
| NET CURRENT LIABILITIES | | <u>(314,733)</u> | <u>(292,726)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 955,730 | 1,045,899 |
| CREDITORS: amounts falling due after more than one year | 11 | <u>(88,707)</u> | <u>(107,097)</u> |
| NET ASSETS | | <u>867,023</u> | <u>938,802</u> |
| RESERVES | | | |
| Unrestricted funds | 13 | 626,243 | 698,022 |
| Restricted funds | 13 | 240,780 | 240,780 |
| | | <u>867,023</u> | <u>938,802</u> |

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements of Exbury Gardens Limited, registered number 02331440 were approved by the Board of Trustees on 19 May 2016

Signed on behalf of the Board of Trustees



D L de Rothschild
Trustee

EXBURY GARDENS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2015

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities" issued in 2005, applicable UK Accounting Standards and the Companies Act 2006. The particular accounting policies adopted are described below.

The financial statements have been prepared on a going concern basis. The company is dependent on continued support from Exbury Gardens Trust and Edmund de Rothschild 1981 Charitable Trust. From discussions with the trustees of these charities the trustees believe that adequate funds will continue to be made available to support the company during the next twelve months. On this basis, the trustees consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustment that would result from a withdrawal of support from Exbury Gardens Trust or Edmund de Rothschild 1981 Charitable Trust. Further discussion can be found in the trustees' report on page 4.

Costs of activities in furtherance of the charity's objects

Direct charitable expenditure is considered to be expenditure which enables the company to further its objectives. Overhead expenditure is apportioned between direct charitable expenditure and other expenditure on the best estimate of management.

Fund raising and publicity costs

Fund raising and publicity costs include advertising and expenditure relating to the attraction of further visitors to the Gardens.

Administration and governance costs of the charity

This represents the portion of management time and overheads which relate to administration costs, including the cost of compliance with laws and regulations, which in the opinion of the trustees cannot be considered to further the objects of the charity directly.

Research costs

Research costs in connection with plant cataloguing are considered to relate to the furtherance of the objects of the company and are therefore included in direct charitable expenditure.

Incoming resources

Incoming resources primarily consist of garden entrance fees relating to the opening of the garden. All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Rental income is recognised evenly over the period to which the payments relate.

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods; and
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

EXBURY GARDENS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2015

1. ACCOUNTING POLICIES (continued)

Support costs

Support costs have been allocated directly to activity cost categories as incurred.

Indirect costs

Indirect costs are allocated to costs of activities in furtherance of the charity's objects.

Tangible fixed assets

Depreciation is provided to write down the cost of all tangible fixed assets over the period of their estimated useful economic lives. The rates of depreciation are as follows:

| | |
|-------------------------------------------|------------------------------------|
| Long leasehold buildings and improvements | 10-20% per annum straight-line |
| Plant and machinery | 20% per annum reducing balance |
| Fixtures and fittings | 20-33% per annum straight-line |
| Motor vehicles | 10-25% per annum reducing balances |
| Railway | 5-20% per annum straight-line |
| Railway rolling stock | 5% per annum straight-line |

Realised gains on fixed assets held for charity use are shown as incoming resources for the year. Realised losses are charged as direct charitable costs in accordance with the classification of the related assets.

Investments

Investments in subsidiary undertakings are stated at cost less provision for permanent impairment.

Cash flow statement

Since the company qualifies as a small company as defined by section 382 of the Companies Act 2006, a cash flow statement is not presented.

Funds

Restricted funds represent income received which is allocated by the donor for specific purposes.

Unrestricted funds comprise general unrestricted funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the period of the lease.

2. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

| | Unrestricted funds | Restricted funds | Total 2015 | Total 2014 |
|------------------------------------|--------------------|------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Wages and pensions (see note 4) | 488,910 | - | 488,910 | 462,678 |
| Plants for gardens | 16,532 | - | 16,532 | 12,380 |
| Property repairs and maintenance | 25,574 | - | 25,574 | 12,591 |
| Vehicles and equipment | 21,222 | - | 21,222 | 26,751 |
| Office costs | 58,380 | - | 58,380 | 67,128 |
| Management fees | 58,924 | - | 58,924 | 58,828 |
| Other costs of opening the gardens | 320,694 | - | 320,694 | 299,329 |
| | <u>990,236</u> | <u>-</u> | <u>990,236</u> | <u>939,685</u> |

EXBURY GARDENS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2015

3. GOVERNANCE COSTS OF THE CHARITY

| | Unrestric- ted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|-----------------------------|------------------------------|--------------------------|--------------------|--------------------|
| Legal and professional fees | 16,974 | - | 16,974 | 21,473 |
| Audit fees (see note 5) | 16,819 | - | 16,819 | 14,680 |
| | <u>33,793</u> | <u>-</u> | <u>33,793</u> | <u>36,153</u> |

4. INFORMATION REGARDING TRUSTEES AND EMPLOYEES

No trustees' remuneration was paid in the year (2014: £nil) and no expenses were reimbursed to the trustees (2014: £nil). No employees received emoluments in excess of £60,000 for 2015 or 2014.

| | 2015 £ | 2014 £ |
|--------------------------------------------|----------------|----------------|
| Employee costs during the year: | | |
| Wages and salaries | 445,803 | 426,941 |
| Social security costs | 37,084 | 35,482 |
| Pension costs | 6,023 | 255 |
| | <u>488,910</u> | <u>462,678</u> |
| | No | No |
| Average number of persons employed: | | |
| Sales and marketing | 17 | 17 |
| Operations and maintenance | 23 | 23 |
| Administration | 4 | 4 |
| | <u>44</u> | <u>44</u> |

5. NET (OUTGOING) INCOMING RESOURCES

| | 2015 £ | 2014 £ |
|----------------------------------------------------------------------------------------|---------------|---------------|
| Net (outgoing) incoming resources is arrived at after charging: | | |
| Depreciation and other amounts written off tangible fixed assets - owned assets | 162,434 | 152,266 |
| Loss on disposal of fixed asset | - | 6 |
| Auditor's remuneration: | | |
| - fees payable to the company's auditor for the audit of the company's annual accounts | 16,819 | 14,680 |
| Operating lease costs: | | |
| Land and buildings | <u>42,496</u> | <u>32,262</u> |

EXBURY GARDENS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2015

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 £ | 2014 £ |
|-------------------------------------------------------|---------------|---------------|
| Bank loans and overdrafts repayable within five years | 20,012 | 14,246 |
| Bank charges | 16,464 | 16,372 |
| | <u>36,476</u> | <u>30,618</u> |

7. TANGIBLE FIXED ASSETS

| | Freehold buildings £ | Leasehold buildings and impro- vements £ | Plant, machinery, fixtures, fittings and motor vehicles £ | Railway £ | Railway rolling stock £ | Total £ |
|-----------------------|----------------------------|------------------------------------------------------|-----------------------------------------------------------------------------|------------------|----------------------------------|------------------|
| Cost | | | | | | |
| At 1 November 2014 | 505,254 | 1,594,742 | 202,924 | 2,113,816 | 513,515 | 4,930,251 |
| Additions | - | 63,130 | 25,563 | 5,579 | - | 94,272 |
| | <u>505,254</u> | <u>1,657,872</u> | <u>228,487</u> | <u>2,119,395</u> | <u>513,515</u> | <u>5,024,523</u> |
| At 31 October 2015 | <u>505,254</u> | <u>1,657,872</u> | <u>228,487</u> | <u>2,119,395</u> | <u>513,515</u> | <u>5,024,523</u> |
| Depreciation | | | | | | |
| At 1 November 2014 | 25,254 | 1,162,734 | 135,922 | 2,058,745 | 208,971 | 3,591,626 |
| Charge for the year | - | 110,716 | 18,886 | 12,041 | 20,791 | 162,434 |
| | <u>25,254</u> | <u>1,273,450</u> | <u>154,808</u> | <u>2,070,786</u> | <u>229,762</u> | <u>3,754,060</u> |
| At 31 October 2015 | <u>25,254</u> | <u>1,273,450</u> | <u>154,808</u> | <u>2,070,786</u> | <u>229,762</u> | <u>3,754,060</u> |
| Net book value | | | | | | |
| At 31 October 2015 | <u>480,000</u> | <u>384,422</u> | <u>73,679</u> | <u>48,609</u> | <u>283,753</u> | <u>1,270,463</u> |
| At 31 October 2014 | <u>480,000</u> | <u>432,008</u> | <u>67,002</u> | <u>55,071</u> | <u>304,544</u> | <u>1,338,625</u> |

All assets of material value are held for use on a continuing basis in the company's activities.

EXBURY GARDENS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2015

8. INVESTMENT IN SUBSIDIARY

| | £ |
|----------------------------------------|---------|
| Cost | |
| At 1 November 2014 and 31 October 2015 | 110,000 |
| Provision for impairment | |
| At 1 November 2014 and 31 October 2015 | 110,000 |
| Net book value | |
| At 31 October 2015 | - |
| At 31 October 2014 | - |

Exbury Gardens Retail Limited has been excluded from consolidation on the ground of immateriality as it is a dormant company.

9. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------------------|----------------|---------------|
| Trade debtors | 14,081 | 12,163 |
| Amounts due from related parties (note 15) | 26,995 | 16,816 |
| Other debtors | 10,149 | 5,156 |
| Prepayments and accrued income | 68,572 | 48,132 |
| | <u>119,797</u> | <u>82,267</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 £ | 2014 £ |
|-------------------------------------------|----------------|----------------|
| Bank overdraft | - | 210,582 |
| Amounts owed to related parties (note 15) | 9,146 | 90,923 |
| Trade creditors | 36,275 | 39,577 |
| Other taxation and social security | 20,283 | 19,059 |
| Accruals and deferred income | 61,976 | 54,367 |
| Working capital loan - Rothschild Bank | 500,000 | - |
| | <u>627,680</u> | <u>414,508</u> |

The overdraft is secured by a mortgage over freehold property known as 4, 5, 6 & 7 The Crescent Cottages. The property is believed to have a present value well in excess of the amount borrowed.

The company has a loan from Rothschild Bank for the provision of working capital. It is secured against investments held by Exbury Gardens Trust, a connected charity see page 4.

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11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2015 £ | 2014 £ |
|----------------|-----------|-----------|
| Tea Rooms loan | 88,707 | 107,097 |

The company has a loan from HSBC plc for the purposes of funding part of the costs of the Smithy Tearooms refurbishment project. The loan is repayable over 15 years at a rate of 1.3% over LIBOR and is secured against freehold property known as Gatewood Farmhouse, a property owned personally by Mr D L de Rothschild, a Trustee/Director of the Company.

12. LEGAL STATUS

The company is limited by guarantee and does not have any share capital. The guarantors are the present trustees of the company. Each trustee is liable up to a maximum of £1. The company was registered as a charity, number 801349, on 24 April 1989. As the company has no share capital a statement of movements on shareholders' funds has not been prepared.

13. RECONCILIATION AND ANALYSIS OF MOVEMENTS ON FUNDS

| | Total unrestricted funds £ | Total restricted funds £ | Total funds £ |
|-----------------------------------|-------------------------------------|-----------------------------------|---------------------|
| Balance at 1 November 2014 | 698,022 | 240,780 | 938,802 |
| INCOMING RESOURCES | | | |
| Unrestricted and restricted funds | 1,048,705 | - | 1,048,705 |
| RESOURCES EXPENDED | | | |
| Unrestricted and restricted funds | (1,120,484) | - | (1,120,484) |
| Balance at 31 October 2015 | 626,243 | 240,780 | 867,023 |

| | Unrestric- ted funds £ | Restricted funds £ | Total 2015 £ | Total 2014 £ |
|---------------------------------------------------------|------------------------------|--------------------------|--------------------|--------------------|
| Fixed assets | 1,270,463 | - | 1,270,463 | 1,338,625 |
| Net current assets (liabilities) | (555,513) | 240,780 | (314,733) | (292,726) |
| Creditors: amounts falling due after more than one year | (88,707) | - | (88,707) | (107,097) |
| Net assets | 626,243 | 240,780 | 867,023 | 938,802 |

The restricted funds are held to finance certain capital projects, as indicated by the fund titles, and other activities in connection with the improvement of the Gardens.

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NOTES TO THE FINANCIAL STATEMENTS
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14. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2015 the company had annual commitments under-non-cancellable operating leases as set out below:

| | Land and buildings | |
|---------------------------------------|---------------------------|-------------------|
| | 2015 | 2014 |
| | £ | £ |
| Operating leases which expire within: | | |
| One year | 36,200 | 32,262 |
| After five years | 1,448 | - |
| | <u> </u> | <u> </u> |

15. RELATED PARTY TRANSACTIONS

Income

During the year the company received unrestricted donations from the trustees, their close family or organisations connected with them as follows:

| | Unrestricted 2015 £ | Unrestricted 2014 £ |
|----------------------|------------------------------------|------------------------------------|
| Exbury Gardens Trust | 190,500 | 92,000 |
| Mr M A Agius | - | 1,000 |
| | <u> </u> | <u> </u> |

In addition income was received by the company for staff and office services supplied to the trustees, their close family or organisations connected with them as follows:

| | 2015 £ | 2014 £ |
|--------------------------------------------------------------------------------------|-------------------|-------------------|
| Executors of E L de Rothschild (deceased) | 2,652 | 4,917 |
| D L de Rothschild (Trustee - Exbury Gardens Limited) | 4,769 | 4,816 |
| N D de Rothschild (family member) | 1,162 | 11,283 |
| Exbury Estate (N D and D L de Rothschild - Family/Trustee of Exbury Gardens Limited) | 77,918 | 68,110 |
| Miss C H de Rothschild (Trustee - Exbury Gardens Limited) | 2,343 | 2,183 |
| Edmund de Rothschild 1981 Charitable Trust | 39 | 8,960 |
| Mr M A Agius (Trustee - Exbury Gardens Limited) | 469 | 1,862 |
| Mrs C J L de Rothschild (Trustee - Exbury Gardens Limited) | 147 | 6,718 |
| Exbury Gardens Trust | 677 | 420 |
| | <u> </u> | <u> </u> |

During the year the Exbury Gardens Trust waived a loan of £nil (2014: £230,000) and gifted Lime Tree Cottage worth £480,000 in the year ended 31 October 2014.

The company also received additional loan funding from Exbury Gardens Trust which at the year ended totalled £nil (2014: £60,000). No interest is payable on this amount and no security has been offered in exchange. This loan is repayable on demand.

On 18 November 2014 Rothschild Bank lent Exbury Gardens Limited the sum of £500,000; this is a related party transaction as the loan is guaranteed by Exbury Garden Trust.

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NOTES TO THE FINANCIAL STATEMENTS
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15. RELATED PARTY TRANSACTIONS (continued)

Expenditure

Invoices were received from the trustees, their close family or organisations connected with them as follows:

| | | 2015 | 2014 |
|--------------------------------------------------------------------------------------|-----------------------------------------|-------------------|-------------------|
| | | £ | £ |
| Executors of E L de Rothschild (deceased) | Recharges | 550 | 6,863 |
| Exbury Estate (N D and D L de Rothschild - Family/Trustee of Exbury Gardens Limited) | Shared staff, office and overhead costs | 56,095 | 71,707 |
| Glasshouse Limited (family trust funded property) | Rent of property | 1,079 | 1,661 |
| Miss C H de Rothschild (Trustee - Exbury Gardens Limited) | Rent of property | - | 4,400 |
| | | <u> </u> | <u> </u> |

The company is liable to pay £1 per annum to the Edmund de Rothschild Charitable Trust for rent of the Gardens.

Included within the above are service occupancy lease costs from Exbury Estate for the following properties.

| | 2015 | 2014 |
|-----------------------|-------------------|-------------------|
| | £ | £ |
| 1 The Bothy | 7,500 | 4,800 |
| 2 The Bothy | 7,000 | 4,800 |
| 2 The Crescent | 7,000 | 4,800 |
| Laurels | - | 4,800 |
| Ramblers | 5,100 | 4,800 |
| Blacklands Farm House | 9,600 | 2,200 |
| | <u> </u> | <u> </u> |

Year end balances arising from these transactions

| | 2015 | 2014 |
|-----------------------------------------------------------|-------------------|-------------------|
| | £ | £ |
| <i>In debtors (note 9)</i> | | |
| Executor of E L de Rothschild (deceased) | 800 | 182 |
| Exbury Estate (N D and D L de Rothschild) | 16,611 | 13,591 |
| Mrs C J L de Rothschild | - | 143 |
| D L de Rothschild | 329 | 411 |
| M A P Agius | - | (142) |
| N D de Rothschild | 6,460 | 970 |
| Exbury Garden Trust | 32 | - |
| Mrs K Agius | 236 | 317 |
| C H de Rothschild | 279 | 228 |
| | <u> </u> | <u> </u> |
| | 26,995 | 16,816 |
| | <u> </u> | <u> </u> |
| <i>In creditors: due within one year (note 10)</i> | | |
| Exbury Garden Trust loan | - | 60,000 |
| Exbury Estate | 9,004 | 30,923 |
| Mrs K Agius | 142 | - |
| | <u> </u> | <u> </u> |
| | 9,146 | 90,923 |
| | <u> </u> | <u> </u> |

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16. TAX STATUS

Exbury Gardens Limited is a registered charity and as such benefits from various exemptions from taxation afforded by the tax legislation, and is therefore not liable to corporation tax on income or gains falling within those exemptions.