

**Company Registration No. 2499006**  
**Registered Charity No. 803428**

**The Foundation and Friends of the  
Royal Botanic Gardens, Kew**

**Trustees' Report and Financial Statements**

**31 March 2022**



**The Foundation and Friends of the Royal Botanic Gardens, Kew  
Year ended 31 March 2022**

**Trustees' Report and Financial Statements 2022**

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# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Year ended 31 March 2022

### Trustees' report

#### Objectives and activities

The Trustees, who are also Directors of the Foundation and Friends of the Royal Botanic Gardens, Kew (the "Foundation") for the purposes of the Companies Act, submit their Trustees' Report, which includes the Directors' Report and Strategic Report for Companies Act purposes and the audited Financial Statements of the Foundation for the year ended 31 March 2022.

#### Object

The Foundation's object, set out in its Articles of Association, is to provide support for the Royal Botanic Gardens, Kew ("RBG Kew") in such manner as the Foundation shall think fit. The Foundation is a Public Benefit Entity.

#### Public benefit

RBG Kew's general functions are set out in the National Heritage Act 1983 and are to:

- carry out investigation and research into the science of plants and related subjects, and disseminate the results of the investigation and research;
- provide advice, instruction and education in relation to those aspects of the science of plants with which RBG Kew is concerned;
- provide other services (including quarantine) in relation to plants;
- care for its collections of plants, preserved plant material, other objects relating to plants, books and records;
- keep the collections as national reference collections, ensure that they are available to persons for the purposes of study, and add to and adapt them as scientific needs and RBG Kew resources allow; and
- afford to members of the public opportunities to enter any land occupied or managed by RBG Kew, for the purpose of gaining knowledge and enjoyment from RBG Kew's collections.

The Trustees have reviewed the activities of RBG Kew against the public benefit principles outlined in the guidance issued by the Charity Commission and the Trustees believe that, as these meet the public benefit charitable aims, the Foundation in turn meets the public benefit requirements.

#### Strategic aims and activities

The Foundation fundraises for RBG Kew, focusing on legacy fundraising and the management of investments. It also holds historic funds which are intended to support the work of RBG Kew through the provision of grants. Examples of projects supported in the year and the process for grant making is set out below.

#### Grant-making

Total grants made to RBG Kew to support its activities in 2021/22 year were £8.5M (2021: £3.1M), of which £1.6M (2021: £2.4M) was for specific projects from restricted funds and £6.9M (2021: £0.7M) was for projects from unrestricted designated funds. Key projects supported by the Foundation include:

- **Science (£1.2M granted in 2021/22, £1.9M in 2020/21):** RBG Kew's scientific vision is to help stop biodiversity loss and develop sustainable nature-based solutions to some of humanity's biggest global challenges. RBG Kew aims to understand and protect plants and fungi for the well-being of people and the future of all life on Earth. Grants from Kew Foundation include funds for multiple projects at the Millennium Seed Bank and key strategic outputs from Kew's Science Strategy including the Plant and Fungal Tree of Life and the Tropical Important Plant Areas (TIPAs).
- **Family Kitchen & Shop (£2.2M granted in 2021/22, £0.6M granted in 2020/21):** Construction of a new family-focussed restaurant and retail facility at Kew Gardens. The new facility opened in December 2021 and will support growth in self-generated income that enables RBG Kew to deliver on its charitable objectives, as well as improving and enhancing the experience of visitors to the Gardens.
- **Enhancing Visitor Experience (£2.4M granted in 2021/22):** Implementation of a new infrastructure system which is designed to further RBG Kew's objectives by growing revenue and enhancing the engagement of Kew's visitors, members and other supporters.

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Year ended 31 March 2022**

### **Trustees' report**

#### **Grant policy**

In order to secure the consent of the Foundation Trustees to release funds, RBG Kew submits a grant request to the Foundation for a particular purpose. All grants must be in line with the strategic aims of RBG Kew, conform to the wishes of the donor where relevant and conform to the statement of public benefit referred to above. If approved, funds are transferred subject to an appropriate audit trail evidencing use of funds.

#### **Fundraising approach and performance**

The Trustees oversee all fundraising activities undertaken by the Foundation. The Foundation has engaged RBG Kew Enterprises Ltd to provide legacy fundraising services and services to support the management of grants held by the Foundation but has not worked with other professional fundraising agents in the year. RBG Kew Enterprises Ltd adheres to the Code of Fundraising Practice issued by the Fundraising Regulator and the Trustees receive progress reports on fundraising at each Board meeting in order to review and oversee aspects of fundraising undertaken on their behalf. The Foundation is registered with the Fundraising Regulator. No fundraising complaints have been received by the Foundation in 2021/22 regarding its fundraising practices.

#### **Achievements and performance**

In 2021/22, in close collaboration with the staff and supporters of RBG Kew, the Foundation raised income of £4.3M (2021: £2.0M) and gave grants totalling £8.5M (2021: £3.1M) to RBG Kew.

Investments income was £0.1M. Investments recorded unrealised gains of £0.2M for the financial year, as markets experienced a turbulent year with global reopening following the pandemic, inflationary pressures emerging, and the impact of the unfolding conflict in the Ukraine.

#### **Structure, governance and management**

The Foundation is a Registered Charity (number 803428) and a Company limited by guarantee (number 2499006). It is governed by its Articles of Association (revised in July 2017).

#### **Trustees and Directors**

The Trustees who held office during and at the end of the year are listed on page 1.

The Board votes on the election of new members at its regular meetings. Any new Trustee is elected for a period of three years after which time they may be re-appointed.

New Trustees are given an induction to introduce them to the Foundation as well as to the work of RBG Kew at its two sites (Kew Gardens and Wakehurst) and around the world. Trustees receive briefings from management and meet staff to understand and review different aspects of the organisation. New projects that are being undertaken by RBG Kew are explained and visits made to projects where practicable.

During 2021/22, the Foundation Board of Trustees held three meetings.

#### **Organisational structure**

The Foundation has no employees and the Trustees are considered the Key Management Personnel. Services and support to manage legacy, grant and investment income are purchased from RBG Kew and RBG Kew Enterprises Ltd.

#### **Pay and remuneration arrangements**

The Trustees are not remunerated for their role.

#### **Related parties**

The Foundation Board has a maximum of six Trustees; up to two Trustees can be recommended for appointment by RBG Kew, and up to four trustees are independent. Nick Baird and Jantiene Klein Roseboom van der Veer were Trustees of both RBG Kew and the Foundation during 2021/22. Nick Baird was appointed as an independent Trustee of the Foundation in November 2021 when he retired as an RBG Kew Trustee. In addition, there were three other independent Trustees.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Year ended 31 March 2022

### Trustees' report

The Foundation is deemed to have an associate relationship with RBG Kew, based on the number of Trustees who are appointed by RBG Kew. As such, in accordance with accounting standards, a share of the Foundation's net assets is consolidated into the accounts of RBG Kew reflecting the proportion of Trustees appointable by RBG Kew, which is 33% as at 31 March 2022 financial year (31 March 2021: 40%). RBG Kew does not have the ability to exercise control over the net assets recognised, which remain subject to decision-making by the Foundation's independent Board of Trustees, and these assets are therefore shown as restricted assets in RBG Kew's financial statements.

The Foundation has related party transactions with RBG Kew and also with RBG Kew Enterprises Ltd (a wholly owned subsidiary of RBG Kew). RBG Kew Enterprises Ltd provides legacy fundraising services and services to support the management of grants and investments to the Foundation. RBG Kew provides back office support services to the Foundation including finance services.

One Kew Foundation Trustee (Jan Pethick) was also a member of RBG Kew's Foundation Council in the year. The Council promotes and supports RBG Kew's success in fundraising and provides advice on all aspects of RBG Kew's fundraising and membership activities.

The Kew Asia Foundation Limited was incorporated on 4 March 2015 in Hong Kong to support and promote education, scientific research in the science of plants and related subjects through horticulture collaboration between the community of Hong Kong, and RBG Kew by inspiring and delivering science-based plant conservation worldwide. It was dissolved in July 2021. The Kew Asia Foundation Limited did not have Trustees in common with the Kew Foundation.

#### Systems of internal control

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

- an annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators;
- delegation of authority and segregation of duties, where appropriate; and
- the identification and management of risks.

Key risks for the Foundation are outlined on page 6.

#### Going concern

The Trustees are confident that the Foundation is a going concern. This assessment is based on:

- budgets and forecasts prepared for 2022/23 financial year and beyond, based on forecasts of legacy and investment income
- reserves held which allow the Foundation to meet grant and other expenditure commitments, with healthy unrestricted reserves providing security against any unforeseen operating risks
- cash and liquid investment holdings are sufficient to meet operating cash requirements for the next twelve months.

The possible on-going impact from the Covid-19 pandemic has been assessed and is not expected to have a significant impact on the Foundation's operations, or on this going concern assessment, given the Foundation's low risk operating model, and its healthy reserves and cash positions.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Year ended 31 March 2022

### Strategic report

#### Financial review

##### Results for 2021/22

The results for the year are set out in the Statement of Financial Activities (SOFA).

Income received in the year ended 31 March 2022 was £4.3M (2021: £2.0M).

Grants and donations income increased to £0.4M (2021: £0.1M). Legacy income increased to £3.8M (2021: £1.7M), and was above expectations. The Foundation's pipeline of legacy notifications is relatively strong, supporting expectations for legacy income in future years.

Net deficit for the year amounted to £4.2M (2020: £0.2M net surplus) after grants to RBG Kew of £8.5M (2021: £3.1M).

At 31 March 2022, the Foundation's total funds amounted to £19.6M (2021: £23.9M); consisting of £4.9M (2021: £4.8M) in endowments, £5.8M (2021: £5.0M) in donor restricted funds, £3.7M (2021: £3.5M) in general unrestricted funds, and £5.3M (2021: £10.6M) in unrestricted funds designated to projects. The current fund balances meet the Foundation's Reserves Policy.

##### Reserves Policy

The Foundation's policy is to hold at least £0.3M of reserves. This is the anticipated annual expenditure budget of the Foundation going forward. Given that legacy income is variable, reserves will be held at a level to ensure all costs can be covered even if no legacies are received in any one year.

Unrestricted reserves are currently £3.4M in excess of £0.3M. This balance will be reviewed during 2022/23 to determine if funds should be granted to RBG Kew.

##### Investment Policy and Statement of Investment Principles

The Foundation holds funds for the short and medium-term to ensure liquidity and to meet the requirements for specific projects and purposes. These funds are invested in short and medium-term deposits and other short and medium-term instruments according to the guidelines set out by the Board, reviewed annually.

The Trustees have delegated the investment management role over its investment portfolios to:

- Cazenove Capital for the Sainsbury Orchid Fund endowment;
- Handelsbanken Investment Managers for other endowment funds and unspent legacy funds;
- Goldman Sachs International for cash management.

Funds invested by Cazenove Capital have an investment objective to maintain the real value of capital while generating a sustainable level of income to support the Research Fellowships at Kew. The portfolio is invested primarily in the Charity Multi-Asset Fund, with some lower risk holdings of bonds and cash investments. The target return is CPI plus 3% per annum, net of fees, over the long term.

For the funds managed by Handelsbanken, the Foundation adopts an 'Absolute Return' approach to investment, recognising the investment return from income and capital gains or losses. The overall investment objective of the funds managed by Handelsbanken is to achieve positive real returns of CPI plus 3% over the long term, while maintaining a medium tolerance to risk.

Funds invested by Goldman Sachs International were all held in the Sterling Money Market Fund. The Trustees decided to close this account and have decided not to reinvest holdings in non-cash holdings at the present time, to preserve liquidity.

The Trustees review annually the performance and service of fund/investment managers, investment principles and guidelines for product investment. In 2021/22 the Trustees decided to transfer the remaining Handelsbanken portfolio to "sustainable funds". The sustainable funds reduce the Foundation's investment in industries such as tobacco, defence and alcohol, and increase investment in areas with more positive environmental, social and governance impacts, including renewable energy and carbon efficiency. All investments are now held in balanced sustainable funds.

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Year ended 31 March 2022**

### **Strategic report**

#### **Ethics policy**

The Trustees do not wish to impose any specific ethical investment policy, but the assets should be invested in line with the charity's aims and conform to the Third Party Engagement Policy and Donor Engagement Review Process.

#### **Investment performance**

The Trustees meet each investment advisor at least annually and the commentary below reflects their reporting on performance.

The 2021/22 financial year saw some initial growth in portfolio values however inflationary pressures and the Ukraine crisis have resulted in lower gains than expected. The total investment gains for the Foundation's investment portfolios in the year were £0.1M.

The Handelsbanken portfolios returned total annual gains of between 9% and 16% in the financial year (2021: gains between 13% and 25%), while funds invested with Cazenove returned a gain in value of 8% (2021: gain 20%).

#### **Fundraising**

The Trustees thank the following for their generous support of our vital work:

Legacies: Margaret Andrews, John Baker, Jennifer Barrie-Murray, Yvonne Boyce, Rita Brown, Dr Ann Burgess, Marjorie Byers, Christine Chambers, Patricia Crimmin, Marion Davies, Ramon Goodey, Elizabeth Grenfell, Jennifer Homer, Margaret Kerr, Dora Lockley, Stella Luce, Barbara Mayer, Robert Meikle, Pamela Millerson, Jean Mist, Gertrude Mortimer, Patricia and David Moss, James Robertson, John Rylett, Gwendolyn Slade, Pamela Turner, Barbara Vine, Vida Voles, June Winfield, and Angela Yaffey.

And all other supporters, including those who have chosen to remain anonymous.

#### **Risk management**

The Foundation has a robust risk management framework which is updated, presented to and reviewed by Trustees once a year. Each risk has an assigned risk owner who will coordinate actions to mitigate the risk and record progress made and actions completed. The current most significant risks for the Foundation are detailed below:

- Reputational risk from engagement with third parties whose activities could negatively impact the Foundation's reputation. To mitigate this risk, Donor and Third Party Engagement policies are in place, which includes assessment of potential risks from engagements.
- Failure to process personal data in compliance with relevant legislation. To mitigate this risk, a data framework is in place that ensures any donor data held is in compliance with data protection requirements.
- Risk to the Foundation's financial sustainability from reduced income. Annual budgets are prepared and performance monitored through the year, with any risks highlighted to the Trustees. The Foundation holds reserves at a level to meet its operating commitments and any future grant commitments.

#### **Plans for future periods**

The Foundation's focus is on developing and growing the legacy programme and stewarding donors to ensure income due from existing donor pledges is delivered. The Foundation will also continue to manage its investment portfolio.

The Foundation will continue to pay grants to RBG Kew from unrestricted funds and historic restricted funds.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Year ended 31 March 2022

### Trustees' responsibilities statement

The Trustees (who are also directors of the Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company will continue in business.

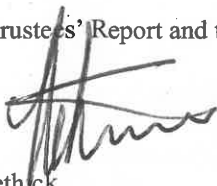
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

The Trustees' Report and the Strategic Report were approved by the Trustees and signed on their behalf by:



Jan Pethick  
Chair

7 September 2022

# **Independent auditor's report to the Members and Trustees of The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Opinion**

We have audited the financial statements of The Foundation and Friends of the Royal Botanic Gardens, Kew for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Summary Income and Expenditure Account, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The trustees are responsible for other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

## **Independent auditor's report to the Members and Trustees of The Foundation and Friends of the Royal Botanic Gardens, Kew (cont.)**

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 7, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

Based on our understanding of the company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the charitable company, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and consider other factors such as the taxation environment.

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

## **Independent auditor's report to the Members and Trustees of The Foundation and Friends of the Royal Botanic Gardens, Kew (cont.)**

- Challenging assumptions and judgments made by management in their significant accounting estimates.

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

### **Use of our report**

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



Richard Weaver (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP,

Date: 9 September 2022

10 Queen Street Place  
Statutory Auditor  
London  
EC4R 1AG

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Statement of Financial Activities Year ended 31 March 2022

2021/22

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Income and endowments from:</b>					
Donations, grants and legacies	2	1,974	2,242	-	4,216
Investments	3	14	5	93	112
<b>Total income</b>		<b>1,988</b>	<b>2,247</b>	<b>93</b>	<b>4,328</b>
<b>Expenditure on:</b>					
Raising funds	4	(283)	-	(7)	(290)
Charitable activities	4	(6,886)	(1,563)	-	(8,449)
<b>Total expenditure</b>		<b>(7,169)</b>	<b>(1,563)</b>	<b>(7)</b>	<b>(8,739)</b>
Net gains on investments	7	45	-	143	188
<b>Net (expenditure)/income for the year</b>		<b>(5,136)</b>	<b>684</b>	<b>229</b>	<b>(4,223)</b>
Transfers between funds	10	-	81	(81)	-
<b>Net movement in funds</b>		<b>(5,136)</b>	<b>765</b>	<b>148</b>	<b>(4,223)</b>
<b>Funds brought forward</b>	10	<b>14,125</b>	<b>4,962</b>	<b>4,777</b>	<b>23,864</b>
<b>Funds carried forward</b>	10	<b>8,989</b>	<b>5,727</b>	<b>4,925</b>	<b>19,641</b>

All gains and losses recognised for the year are included above. All restricted funds received and expended relate to income funds. Notes 1 to 15 form part of these accounts.

**The Foundation and Friends of the Royal Botanic Gardens, Kew**

**Statement of Financial Activities  
Year ended 31 March 2022**

		2020/21			
	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Income and endowments from:</b>					
Donations, grants and legacies	2	1,444	359	-	1,803
Investments	3	77	16	113	206
<b>Total income</b>		<b>1,521</b>	<b>375</b>	<b>113</b>	<b>2,009</b>
<b>Expenditure on:</b>					
Raising funds	4	(246)	-	(16)	(262)
Charitable activities	4	(735)	(2,356)	-	(3,091)
<b>Total expenditure</b>		<b>(981)</b>	<b>(2,356)</b>	<b>(16)</b>	<b>(3,353)</b>
Net gains/(losses) on investments	7	705	-	804	1,509
<b>Net (expenditure)/income for the year</b>		<b>1,245</b>	<b>(1,981)</b>	<b>901</b>	<b>165</b>
Transfers between funds	10	-	122	(122)	-
<b>Net movement in funds</b>		<b>1,245</b>	<b>(1,859)</b>	<b>779</b>	<b>165</b>
<b>Funds brought forward</b>	10	<b>12,880</b>	<b>6,821</b>	<b>3,998</b>	<b>23,699</b>
<b>Funds carried forward</b>	10	<b>14,125</b>	<b>4,962</b>	<b>4,777</b>	<b>23,864</b>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Summary income and expenditure account Year ended 31 March 2022

	2022	2021
	£'000	£'000
<b>Income</b>		
Donations and legacies	4,216	1,803
Interest and investment income	19	93
Gains/(losses) on investments	45	705
	<u>4,280</u>	<u>2,601</u>
<b>Gross income in the reporting period</b>		
	<u>4,280</u>	<u>2,601</u>
<b>Total expenditure in the reporting period</b>	(8,732)	(3,337)
	<u>(4,452)</u>	<u>(736)</u>
<b>Net expenditure for the reporting period</b>	<u>(4,452)</u>	<u>(736)</u>

As required the Companies Act 2006, this statement presents the movements on income and expenditure excluding endowment funds.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Balance Sheet as at 31 March 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	7	11,410	21,651
<b>Total fixed assets</b>		<u>11,410</u>	<u>21,651</u>
<b>Current assets</b>			
Debtors	8	1,049	1,265
Cash at bank and in hand		11,019	2,896
<b>Total current assets</b>		<u>12,068</u>	<u>4,161</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(3,837)</u>	<u>(1,948)</u>
<b>Net current assets</b>		<u>8,231</u>	<u>2,213</u>
<b>Total assets less current liabilities</b>		<u>19,641</u>	<u>23,864</u>
<b>NET ASSETS</b>		<u>19,641</u>	<u>23,864</u>
<b>The funds of the charity:</b>			
Restricted income funds	10	5,727	4,962
Permanent endowment funds	10	2,758	2,630
Expendable endowment funds	10	2,167	2,147
Unrestricted funds – designated	10	5,314	10,601
Unrestricted funds – general	10	3,675	3,524
<b>TOTAL FUNDS</b>		<u>19,641</u>	<u>23,864</u>

Notes 1 to 15 form part of these accounts.

These financial statements of The Foundation and Friends of the Royal Botanic Gardens, Kew (registered number 2499006) were approved and authorised for issue by the Board of Trustees and signed on their behalf by:

  
Jan Pethick  
Chair

7 September 2022

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Statement of cash flows Year ended 31 March 2022

	Note	2021/22	2020/21
		£'000	£'000
Net cash flows from operating activities	14	(2,418)	(2,105)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		112	206
Proceeds from the sale of investments		20,636	172
Purchase of investments		(10,207)	(222)
Net cash flows from investing activities		10,541	156
<b>Change in cash in the reporting period</b>		<b>8,123</b>	<b>(1,949)</b>
<b>Cash at the beginning of the reporting period</b>		<b>2,896</b>	<b>4,845</b>
<b>Cash at the end of the reporting period</b>		<b>11,019</b>	<b>2,896</b>

Notes 1 – 15 form part of these accounts.

All cash and cash equivalents are included in cash at bank and in hand.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 1. Statement of accounting policies

The principal accounting policies are summarised below. All have been applied consistently throughout the year.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2019): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. The financial statements present information for The Foundation and Friends of the Royal Botanic Gardens Kew ("Kew Foundation" or "the Foundation").

#### Foundation status

The Foundation is a private company limited by guarantee, incorporated in England and Wales and is a charity registered in England and Wales. It is a Public Benefit Entity. The members of the Foundation are the Trustees. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

#### Going concern

Having reviewed cash flow forecasts and budgets for 2022/23 and beyond, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future, not less than 12 months from the date of signing. Accordingly, they continue to adopt the going concern basis in preparing the Trustees' Report and Financial Statements.

#### Reserves

The Foundation has a Reserves Policy that seeks to maintain unrestricted reserves (excluding the designated property reserve) at around one year of future operating expenditure (£0.3M). Unrestricted reserves are currently £3.4M in excess of £0.3M. This balance will be reviewed during 2022/23 to determine when funds can be granted to RBG Kew.

#### Fund accounting

General or unrestricted funds are available for use at the discretion of the Trustees in furtherance of the objectives of the Foundation. These are funds that have not been designated for other purposes.

Designated funds comprise unrestricted funds set aside by the Trustees for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which have been raised by the Foundation for particular purposes and are to be used in accordance with specific restrictions imposed by donors. The aim and use of each material restricted fund are set out in the notes to the financial statements.

Endowment funds are a mix of restricted and unrestricted funds and may be expendable or permanent. Permanent endowment funds are held by the Foundation as a corporate trustee and do not form part of the corporate property of the charitable company.

During 2014/15 the Sainsbury Orchid Trust Fund (£2.4M) was transferred to the Foundation from the Bentham-Moxon Trust. Using this permanent endowment, the Foundation will provide grants to RBG Kew connected with the advancement of education and learning by the promotion of study and enhancement of the orchid collection and orchid work. The Trust deed confers an oversight role on two other sets of Trustees; Robert and Lisa Sainsbury Art Trust Ltd Trustees (previously known as the Art Trustees), the Gatsby Charitable Foundation Trustees (previously known as the Gatsby Trustees).

Investment income, gains and losses are allocated to the appropriate fund.

#### Income

All income including grants are included in the Statement of Financial Activities (SOFA) when the Foundation is legally entitled to the income, receipt is probable, and the amount can be measured with sufficient reliability. For

# **The Foundation and Friends of the Royal Botanic Gardens, Kew**

## **Notes to the accounts Year ended 31 March 2022**

pecuniary legacies, this is upon notification (probate). Residuary legacies are recognised when probate is granted and there is sufficient information to value them (usually receipt of estate accounts). Where legacies include the transfer of property, this is included at valuation.

No amounts are included in the financial statements for services donated by volunteers. Gifts in kind are included at fair value. Donated services or facilities are included in income at a valuation which is an estimate of the financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

### **Expenditure**

Expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of resources.

Unrestricted grants to RBG Kew are recognised when approved and formally communicated with the recipient. Restricted grants to RBG Kew are recognised and awarded to RBG Kew on approval of a valid claim. Gifts in kind to RBG Kew are recognised when the Foundation donates staff time or other assets.

Fundraising costs are incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Foundation.

Governance costs are incurred in connection with the administration and compliance of the Foundation. Governance and support costs are allocated across the various activities of the Foundation based on an estimate of the time spent by staff.

### **Grant making**

The Foundation raises monies for RBG Kew. A request for payment for various projects proposed by RBG Kew is made to the Foundation Trustees. When applications are received, the Foundation gives independent due consideration to granting such funds, considering the strategy and wishes of the donor and, if approved by the Trustees, payment is made. Proper evidence of expenditure is always required, to the satisfaction of the Trustees.

### **Investments**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Investment movements as disclosed in the Statement of Cash Flows reflect additions to and withdrawals from the investment portfolio.

### **Taxation accounting**

The Foundation is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes. No tax charge has arisen in the year ended 31 March 2021 or 31 March 2022.

### **Financial instruments**

Investments are accounted for at fair value through profit and loss in accordance with the requirements of FRS 102 sections 11 and 12. Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### Critical accounting judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any other critical judgements or sources of estimation uncertainty requiring disclosure.

### 2. Income and endowments from donations, grants and legacies

	2021/22			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Grants and donations	-	367	-	367
Legacies	1,974	1,875	-	3,849
	<u>1,974</u>	<u>2,242</u>	<u>-</u>	<u>4,216</u>

	2020/21			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Grants and donations	1	104	-	105
Legacies	1,443	255	-	1,698
	<u>1,444</u>	<u>359</u>	<u>-</u>	<u>1,803</u>

As at 31 March 2022, the Foundation had been notified of 51 (2021: 49) legacies, estimated to be worth £2.41M (2021: £2.37M), £0.85M (2021: £0.06M) of which has been recognised as receipt is probable and the amount can be measured with sufficient reliability. Of these, the Foundation has been notified of 34 (2021: 39) residuary legacies estimated to be worth £2.08M (2021: £2.33M) and of which £0.85M (2021: £0.06M) has been recognised.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 3. Income from investments

	2021/22			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Bank interest	-	-	-	-
Dividends & other distributions	14	5	93	112
	<u>14</u>	<u>5</u>	<u>93</u>	<u>112</u>

	2020/21			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Bank interest	1	-	-	1
Dividends & other distributions	76	16	113	205
	<u>77</u>	<u>16</u>	<u>113</u>	<u>206</u>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 4. Expenditure

	2021/22			Total £'000
	Marketing and other direct costs £'000	Grant funding of activities £'000s	Support and governance costs £'000	
Raising funds – donations and legacies	192	-	83	275
Raising funds – investment income	15	-	-	15
<b>Total Raising funds</b>	<b>207</b>	<b>-</b>	<b>83</b>	<b>290</b>
Charitable activities				
- Science	-	1,184	-	1,184
- Horticulture and Learning	-	181	-	181
- Other support to RBG Kew	-	7,084	-	7,084
<b>Total Charitable activities</b>	<b>-</b>	<b>8,449</b>	<b>-</b>	<b>8,449</b>
Total Support costs	83	-	(83)	-
<b>Total</b>	<b>290</b>	<b>8,449</b>	<b>-</b>	<b>8,739</b>
	2020/21			
	Marketing and other direct costs £'000	Grant funding of activities £'000s	Support and governance costs £'000	Total £'000
Raising funds – donations and legacies	161	-	74	235
Raising funds – investment income	27	-	-	27
<b>Total Raising funds</b>	<b>188</b>	<b>-</b>	<b>74</b>	<b>262</b>
Charitable activities				
- Science	-	1,856	-	1,856
- Horticulture and Learning	-	583	-	583
- Other support to RBG Kew	-	652	-	652
<b>Total Charitable activities</b>	<b>-</b>	<b>3,091</b>	<b>-</b>	<b>3,091</b>
Total Support costs	74	-	(74)	-
<b>Total</b>	<b>262</b>	<b>3,091</b>	<b>-</b>	<b>3,353</b>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 5. Support and governance costs

	<b>2021/22</b>
	<b>Total</b>
	<b>£'000</b>
<b>Costs incurred</b>	
Governance	16
Office administration and other support	67
	<hr/>
	83
	<hr/> <hr/>

	<b>2020/21</b>
	<b>Total</b>
	<b>£'000</b>
<b>Costs incurred</b>	
Governance	18
Office administration and other support	56
	<hr/>
	74
	<hr/> <hr/>

### 6. Net (expenditure)/income

This is stated after charging:

	<b>Total</b>	<b>Total</b>
	<b>2021/22</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the Foundation's annual accounts	16	18
Non-audit fees:		
- Tax filing	-	-
	<hr/> <hr/>	<hr/> <hr/>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 7. Fixed asset investments

	<b>Endowment Investments £'000</b>	<b>Other Investments £'000</b>	<b>Total £'000</b>
At 1 April 2021	4,777	16,874	21,651
Sales proceeds	(3,665)	(16,971)	(20,636)
Purchases	3,665	6,523	10,188
Income re-invested	5	14	19
Realised and unrealised gains / (losses)	143	45	188
At 31 March 2022	<u>4,925</u>	<u>6,485</u>	<u>11,410</u>
	<b>Endowment Investments £'000</b>	<b>Other Investments £'000</b>	<b>Total £'000</b>
At 1 April 2020	3,998	16,094	20,092
Sales proceeds	(171)	(1)	(172)
Purchases	124	-	124
Income re-invested	22	76	98
Realised and unrealised gains	804	705	1,509
At 31 March 2021	<u>4,777</u>	<u>16,874</u>	<u>21,651</u>
		<b>2022 £'000</b>	<b>2021 £'000</b>
Investment at fair value comprise:			
Commodities		48	333
Equity		5,791	3,855
Bonds		1,561	2,759
Property funds		891	390
Hedge funds		232	930
Liquidity funds (including cash and cash equivalents)		129	10,754
Charity Multi Asset Funds		2,758	2,630
At 31 March 2022		<u>11,410</u>	<u>21,651</u>
All fixed asset investments are held in the UK.			
Investments at historical cost		<u>10,161</u>	<u>16,602</u>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 8. Debtors: amounts due within one year

	2022 £'000	2021 £'000
Accrued income	1,049	1,265
	<u>1,049</u>	<u>1,265</u>

**Contingent assets:** As at 31 March 2022 the Foundation has been notified of 34 (2021: 39) residuary legacies estimated to be worth £2.08M (2021: £2.33M) and of which £0.85M (2021: £0.06M) has been recognised. The executors have yet to establish if there are sufficient assets in these estates, after settling any liabilities to pay these legacies. The Foundation is therefore unable to estimate with sufficient accuracy the amount receivable and has not accrued for these legacies on that basis.

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

	2022 £'000	2021 £'000
Payable to related undertakings	3,820	1,929
Accruals	17	19
	<u>3,837</u>	<u>1,948</u>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 10. Statement of funds

	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Recognised gains/(losses) £'000	Transfers £'000	Balance 31 March 2022 £'000
<b>Restricted Income Funds</b>	4,962	2,247	(1,563)	-	81	5,727
<b>Endowment funds</b>						
Sainsbury Orchid Fund	2,630	90	(7)	126	(81)	2,758
<b>Expendable endowments</b>						
Smythies Fund	197	-	-	2	-	199
Lennox Boyd Fund	711	-	-	6	-	717
Shawdon Fund	63	-	-	-	-	63
Bewsey Fund	1,176	3	-	9	-	1,188
<b>Total endowment funds</b>	<u>4,777</u>	<u>93</u>	<u>(7)</u>	<u>143</u>	<u>(81)</u>	<u>4,925</u>
<b>Total restricted and endowment funds</b>	<u>9,739</u>	<u>2,340</u>	<u>(1,570)</u>	<u>143</u>	<u>-</u>	<u>10,152</u>
<b>Unrestricted designated funds</b>						
Property Fund	800	-	-	-	-	800
Family Kitchen & Shop	2,433	-	(2,433)	-	-	-
Director of Science Research	1,376	-	(171)	-	-	1,205
Enhancing Visitor Experience	2,617	-	(2,176)	-	-	441
Other	3,375	-	(507)	-	-	2,868
	<u>10,601</u>	<u>-</u>	<u>(5,287)</u>	<u>-</u>	<u>-</u>	<u>5,314</u>
<b>Unrestricted funds</b>						
General Fund	3,524	1,988	(1,882)	45	-	3,675
<b>Total unrestricted funds</b>	<u>14,125</u>	<u>1,988</u>	<u>(7,169)</u>	<u>45</u>	<u>-</u>	<u>8,989</u>
<b>Total funds</b>	<u>23,864</u>	<u>4,328</u>	<u>(8,739)</u>	<u>188</u>	<u>-</u>	<u>19,641</u>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

	Balance 1 April 2020 £'000	Income £'000	Expenditure £'000	Recognised gains/(losses) £'000	Transfers £'000	Balance 31 March 2021 £'000
<b>Restricted Income Funds</b>	6,821	375	(2,356)	-	122	4,962
<b>Endowment funds</b>						
Sainsbury Orchid Fund	2,263	92	(6)	367	(86)	2,630
<b>Expendable endowments</b>						
Smythies Fund	157	-	-	40	-	197
Lennox Boyd Fund	567	-	-	144	-	711
Shawdon Fund	50	-	-	13	-	63
Bewsey Fund	961	21	(10)	240	(36)	1,176
<b>Total endowment funds</b>	<u>3,998</u>	<u>113</u>	<u>(16)</u>	<u>804</u>	<u>(122)</u>	<u>4,777</u>
<b>Total restricted and endowment funds</b>	<u>10,819</u>	<u>488</u>	<u>(2,372)</u>	<u>804</u>	<u>-</u>	<u>9,739</u>
<b>Unrestricted designated funds</b>						
Property Fund	1,300	-	-	-	(500)	800
Family Kitchen & Shop	2,994	-	(561)	-	-	2,433
Director of Science Research	1,459	-	(83)	-	-	1,376
Enhancing Visitor Experience	-	-	(83)	-	2,700	2,617
Other	2,580	-	(8)	-	803	3,375
	<u>8,333</u>	<u>-</u>	<u>(735)</u>	<u>-</u>	<u>3,003</u>	<u>10,601</u>
<b>Unrestricted funds</b>						
General Fund	4,547	1,521	(246)	705	(3,003)	3,524
<b>Total unrestricted funds</b>	<u>12,880</u>	<u>1,521</u>	<u>(981)</u>	<u>705</u>	<u>-</u>	<u>14,125</u>
<b>Total funds</b>	<u>23,699</u>	<u>2,009</u>	<u>(3,353)</u>	<u>1,509</u>	<u>-</u>	<u>23,864</u>

See Note 15 for details of general support to RBG Kew.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 10. Statement of funds (continued)

#### Funds information

Restrictions on the endowment funds are as follows:

- The **Sainsbury Orchid Fund** is used to provide grants to RBG Kew connected with the advancement of education and learning by the promotion of study and enhancement of the orchid collection and orchid work. The Trust deed confers an oversight role on two other sets of Trustees: Robert and Lisa Sainsbury Art Trust Ltd Trustees (previously known as the Art Trustees) and the Gatsby Charitable Foundation Trustees (previously known as the Gatsby Trustees). The transfer from this fund represents realised income which is transferred to the related restricted fund on a quarterly basis.
- The **Smythies Fund** is an unrestricted expendable endowment. Part of the fund should be used to support botanical illustration. The interest is used for budget relief.
- The **Lennox Boyd Fund** is used by Kew to provide education for overseas students through the Lennox Boyd Programme. In particular, emphasis is placed on promoting exchanges of people between British institutions and their counterparts in Commonwealth countries.
- The **Shawdon Fund** is used to support Kew's annual winter lecture series with an emphasis, but not exclusively on any aspects of the uses of plants for medicine.
- The **Bewsey Fund** was received by the Foundation in 2015/16. It is an expendable endowment restricted to conservation and research.

Designations of unrestricted funds are as follows:

- The Property fund represented funds designated in 2016/17 for RBG Kew's capital projects, the balance is held for Kew's use on improvement work around the estate.
- Family Kitchen & Shop – the £3M designated funds in 2019/20 to support RBG Kew's construction of a new catering and retail facility has been fully transferred.
- Director of Science research - £1.2M remains of the funds designated in 2019/20 to support the Kew Director of Science's research programme in furtherance of Kew's objectives.
- Enhancing Visitor Experience - £2.1M was transferred in 2021/22 to support this infrastructure project which is designed to further Kew's objectives by growing revenue and enhancing the engagement of Kew's visitors, members and other supporters, a balance of £0.4m remains.
- Other designated funds of £2.9M represent allocations to other, smaller activities and projects, and unrestricted legacy income recognised which the Trustees wish to designate for future use in line with the donors' non-binding wishes. This will be subject to proposals for use to be submitted by RBG Kew.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

	Balance 1 April 2021 £'000	Income £'000	Expend- iture £'000	Transfers between funds £'000	Balance 31 March 2022 £'000
<b>Restricted Funds</b>					
<b>Science</b>					
Seed conservation – supporting the collection, storage and viability of seeds, particularly at RBG Kew’s Millennium Seed Bank	1,158	788	(122)	114	1,938
Tropical Important Plant Areas (TIPAs) – supporting identification and conservation of TIPAs	390	0	(133)	0	257
Plant and Fungal Tree of Life (PAFTOL)	386	0	(382)	0	4
State of the World’s Plants	203	0	(20)	0	183
Orchid Fellow	206	0	(100)	81	187
Other scientific research and associated activity	882	9	(224)	7	674
<b>Horticulture and botanic gardens</b>					
Evolution Garden	26	0	(7)	0	19
Children’s Garden	115	0	(73)	0	42
Broadwalk Borders	0	0	0	0	0
Wakehurst Place	435	0	0	0	435
Other horticultural activity	488	581	(47)	0	1,022
<b>Education and outreach</b>					
Grow Wild	55	0	(55)	0	0
Other education and outreach activity	63	500	(1)	0	562
<b>Other</b>					
Library, Art and Archives – supporting acquisition and access to RBG Kew’s Library collections	63	0	(31)	0	32
Other activity in support of RBG Kew	492	369	(368)	(121)	372
<b>Grand Total</b>	<b>4,962</b>	<b>2,247</b>	<b>(1,563)</b>	<b>81</b>	<b>5,727</b>

All of the above funds are available to be granted to RBG Kew upon receipt by the Foundation of the necessary documentation detailing expenditure.

Within restricted funds there are various levels of restriction. Transfers between funds are made as appropriate and reflect allocation to specific activity as confirmed with the donor.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts

### Year ended 31 March 2022

	Balance 1 April 2020 £'000	Income £'000	Expend- iture £'000	Transfers between funds £'000	Balance 31 March 2021 £'000
<b><u>Restricted Funds</u></b>					
<b>Science</b>					
Seed conservation – supporting the collection, storage and viability of seeds, particularly at RBG Kew’s Millennium Seed Bank	1,164	279	(285)	-	1,158
Tropical Important Plant Areas (TIPAs) – supporting identification and conservation of TIPAs	504	79	(193)	-	390
Plant and Fungal Tree of Life (PAFTOL)	855		(469)	-	386
State of the World’s Plants	563		(360)	-	203
Orchid Fellow	206		(85)	86	207
Other scientific research and associated activity	1,216	6	(347)	7	882
<b>Horticulture and botanic gardens</b>					
Evolution Garden	27		(1)	-	26
Children’s Garden	194		(79)	-	115
Broadwalk Borders	54		(54)	-	-
Wakehurst Place	742		(307)	-	435
Other horticultural activity	564	1	(102)	25	488
<b>Education and outreach</b>					
Grow Wild	55		-	-	55
Other education and outreach activity	102		(39)	-	63
<b>Other</b>					
Library, Art and Archives – supporting acquisition and access to RBG Kew’s Library collections	96		(34)	-	62
Other activity in support of RBG Kew	479	10	(1)	4	492
<b>Grand Total</b>	<b>6,821</b>	<b>375</b>	<b>(2,356)</b>	<b>122</b>	<b>4,962</b>

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 11. Analysis of net assets between funds

Fund balances at 31 March are represented by:

	2022			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Long-term investments	4,016	2,469	4,925	11,410
Cash at bank	6,876	4,143	0	11,019
Debtors	473	576	0	1,049
Creditors	(2,376)	(1,461)	0	(3,837)
	<u>8,989</u>	<u>5,727</u>	<u>4,925</u>	<u>19,641</u>

	2021			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Long-term investments	12,488	4,386	4,777	21,651
Cash at bank	1,856	1,040	-	2,896
Debtors	43	1,222	-	1,265
Creditors	(262)	(1,686)	-	(1,948)
	<u>14,125</u>	<u>4,962</u>	<u>4,777</u>	<u>23,864</u>

### 12. Salary and staff costs

No staff are employed by the Foundation. The total remuneration (including pension contributions) of the key management personnel for the year was £nil (2021: £nil).

During the year Trustees received no remuneration or benefits in kind (2021: £nil). No Trustees were reimbursed expenses for travel, subsistence or donor meetings (2021: £nil).

### 13. Related party transactions

No donations were received from the Trustees in the year (2021: £nil). There were no other related party transactions with trustees in either year.

The Foundation has related party transactions with RBG Kew and also with RBG Kew Enterprises Ltd.

Expenditure includes an amount of £8,451k (2021 £3,117k) and creditors include an amount of £3,820k (2021: £1,929k) relating to RBG Kew and RBG Kew Enterprises Ltd.

Income includes an amount of £nil (2021: £nil) and debtors include an amount of £nil (2021: £nil) relating to RBG Kew and RBG Kew Enterprises Ltd.

In 2021/22 Kew Foundation received grants of £nil (2021: £nil) from The Kew Asia Foundation Limited.

No other related party transactions are noted.

# The Foundation and Friends of the Royal Botanic Gardens, Kew

## Notes to the accounts Year ended 31 March 2022

### 14. Reconciliation of net income to net cash flow from operating activities

	2021/22	2020/21
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	(4,223)	165
<b>Adjustments for:</b>		
(Gains) / losses on investments	(188)	(1,509)
Dividends and interest from investments	(112)	(206)
<b>Operating cash flow before movement in working capital</b>	<b>(4,523)</b>	<b>(1,550)</b>
Decrease in debtors	216	309
Increase / (decrease) in creditors	1,889	(864)
<b>Net cash provided by operating activities</b>	<b>(2,418)</b>	<b>(2,105)</b>

### 15. Grants awarded to RBG Kew

	Unrestricted £'000	Restricted £'000	2022 £'000
RBG Kew 2021/22 Support	1,600	-	1,600
Specific purpose grants	5,286	1,563	6,849
<b>Grants awarded</b>	<b>6,886</b>	<b>1,563</b>	<b>8,449</b>

	Unrestricted £'000	Restricted £'000	2021 £'000
RBG Kew 2020/21 Support	-	-	-
Specific purpose grants	735	2,356	3,091
<b>Grants awarded</b>	<b>735</b>	<b>2,356</b>	<b>3,091</b>

	2022 £'000	2021 £'000
<b>Reconciliation of unrestricted grants payable</b>		
Commitments as at 1 <sup>st</sup> April	26	846
Commitments made in the year	1,600	735
Grants paid during the year	(26)	(1,555)
Commitments as at 31 <sup>st</sup> March	1,600	26