

Kew

ROYAL BOTANIC GARDENS

Royal Botanic Gardens, Kew

Annual Report and Accounts

for the year ended 31 March 2011



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Presented to Parliament
pursuant to Paragraphs 39(7) and 40(4)
of Schedule 1 of the National Heritage Act 1983

Ordered by the House of Commons
to be printed 4 July 2011

HC1285 London: The Stationery Office £10.25



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This publication is available for download at www.official-documents.gov.uk.

This document is also available from our website at www.kew.org/about-kew/our-work/annual-report-accounts/

ISBN: 9780102972993

Printed in the UK by The Stationery Office Limited

on behalf of the Controller of Her Majesty's Stationery Office

ID: 2435866 06/11

Printed on 100% recycled paper

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The Royal Botanic Gardens, Kew is:

a world-leader in plant science – and a major visitor attraction. Governed by Trustees and sponsored by the UK's Department for Environment, Food and Rural Affairs (Defra) which champions sustainability. Funding also comes from visitor income and fundraising.

devoted to building and sharing knowledge so that people can benefit from plants and fungi – now and for generations to come.

around 800 people including 250 in science and conservation, and 200 in horticulture; they are supported by over 500 volunteers including affiliated researchers, more than 60 supervised PhD and 45 Horticultural Diploma students, and many others with a valued range of roles and skills.

two stunning gardens – Kew Gardens (a World Heritage Site) and Wakehurst Place in West Sussex. These house Kew's collections, laboratories and the Millennium Seed Bank – and show the importance of plants in all our lives.

Kew's mission is:

to inspire and deliver science-based plant conservation worldwide, enhancing the quality of life.

Kew achieves results through:

surveys of plant diversity both overseas and in the UK, high quality scientific research and horticulture, publications – both scientific and popular, direct and digital access to the collections and information, education, capacity building and hands-on conservation activity. Crucially, the gardens also enable Kew to build public understanding and support for sustainability and plant conservation.

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Chairman's letter

This has been another busy year for the Royal Botanic Gardens, Kew, with significant scientific advances being made during a time of change, both within and beyond Kew. There have been many achievements, a good number of which are detailed in this report, so I would like to begin by thanking everyone at Kew – staff, students, volunteers and trustees – for their commitment not only in delivering our statutory functions, but in seeing through a remarkably challenging year with considerable achievements.

Kew continues to enjoy significant support from Defra, our sponsoring government department, which provides half of the funding to support Kew's work, including its contribution to the Department's wider science and biodiversity portfolio. The remaining revenue is generated from commercial activity (including visitor income), grants and donations. As Kew moves to greater financial independence from government these sources of support become ever more important. Defra's continuing support not only helps Kew to fulfil its statutory obligations, but also provides means without which our ability to help ourselves would be significantly impeded.

At a time when all publicly supported organisations must re-evaluate their position, Kew is expanding its capacity to work with industry and the commercial sector. A fine example of this is the Kew Innovation Unit. This unique venture marks a significant change in the way Kew uses its considerable expertise in the developing sustainable uses for plants and

fungi to benefit mankind and support biodiversity, while also helping to build a more independent financial future for Kew.

At this time Kew is undergoing a major discovery exercise in conjunction with Defra to examine the way Kew does its business. Whatever the outcome of this exercise, it is certain that Kew's work developing our knowledge of plant and fungal diversity will remain key to understanding and therefore using and conserving biodiversity. At a time of challenging environmental changes, such knowledge is vital to the survival not only of plant and fungal life but to all life on earth. Our gardens and education programme play a key role in helping us all to understand the importance of this work, and to build support for Kew. In this time of public austerity, wider support for Kew is more important than ever.

I welcome the two new trustees who joined the Board of Trustees in March; Tessa Green and Professor Michael Crawley. Their rich and diverse experience will enhance the already considerable knowledge and wisdom of our existing Trustees. Finally, I would like to express my warm thanks to Professor Charles Godfray and Professor Sandy Harrison who retired from the Board this year for their wisdom and for their significant contributions during their terms of office.



Marcus Agius

Chairman
Trustees of the Royal Botanic Gardens, Kew

Director's (CEO and Chief Scientist) review

For the Royal Botanic Gardens, Kew, 2010 has been a challenging yet productive year. Following the election of the Coalition Government in May 2010, we welcomed the new Secretary of State for the Environment, Caroline Spelman, and Lord Henley, whose Ministerial portfolio includes Kew. The Chalmers' Independent Review of Kew reported in early 2010 and provided a new sense of cooperation and direction with colleagues at Defra. Kew has been proactive in promoting to Defra its facilities, knowledge and resources that support Defra's objectives; the relationship has renewed vigour and commitment from both parties.

In response to considerable constraints in public spending, Arms Length Bodies across government were reviewed extensively in 2010. Kew was given the welcome and highly supportive verdict that it would remain a Non Departmental Public Body (NDPB) on the basis that it passed the key tests applied by Cabinet Office; Kew should be retained on grounds that it performs a technical function which should be independent of government. This is a most reassuring decision and can be regarded as a statement of government confidence in Kew's work.

Discussions with Ministers over Kew's business plan for the spending review period led to a decision to accelerate Kew's business change process by carefully considering options to improve current business and governance models. An exercise to document Kew's assets and liabilities will inform the process which will test robustly whether changed models of working and governance at Kew can offer operational and financial efficiencies. The ultimate aim is to ensure that the aims and objectives of the organisation, in accordance with the statutory functions under the National Heritage Act 1983, continue to be met within a sustainable financial structure. The work will continue in 2011 and will be important in determining the longer-term working relationship between Defra and Kew and the development of a five-year business plan.

There were significant scientific achievements for Kew in the United Nations International Year of Biodiversity. A global analysis of extinction risk for the world's plants, the Sampled Red List Index, was conducted by Kew in collaboration with the Natural History Museum, London and the International Union for Conservation of Nature (IUCN). It has provided an estimate of the global extent of the threat to the world's estimated 380,000 flowering plant species and revealed that the world's plants are as threatened as mammals, with one in five plant species threatened with extinction. This project is part of a worldwide effort to create a tool to monitor the changing status of the world's major groups of plants, fungi and animals and is a major baseline for plant conservation.

At the 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity, held in Nagoya, Japan in October 2010, Kew was part of the UK negotiating team for a new plan which has been adopted for the period 2011 – 2020 with updated targets. The first three objectives of the new Global Strategy for Plant Conservation are that: plant diversity is well understood, documented and recognised; plant diversity is urgently and effectively conserved; and that plant diversity is used in a sustainable and equitable manner. The completion of The Plant List is a significant step towards Target 1 of this plan, and as the year came to a close, Kew, in partnership with Missouri Botanical Garden and other organisations, announced the completion of The Plant List. This landmark international resource, comprising 1.25 million scientific plant names, is a working list of all land plant species, fundamental to understanding and documenting plant diversity and effective conservation.

The year ahead will have challenges but also opportunities. New Trustees have been appointed to the Board, and the Kew Foundation, and new Directors to the Board of Kew Enterprises. They bring new energy and enthusiasm to the Boards. We have also assembled a new Executive Board which is already delivering more focused and effective senior management. Mapping our strengths and weaknesses will provide a solid base for moving forward that clearly sets out the areas of most importance to Kew.

New ways of working may be found that enhance Kew's delivery and reputation as a world leader in science and conservation. The opening of the Herbarium and Library Extension was a major step forward to house our collections in state of the art facilities. Our challenge is still to preserve and care for the remaining collections in the older Herbarium wings. Caring for the heritage infrastructure is another of our challenges and it was heartening that the Heritage Lottery Fund (HLF) has given the green light to Kew to develop plans to restore the Temperate House and its surrounding landscape, specifically by providing development funding to help progress plans for the eight-year £28 million project.

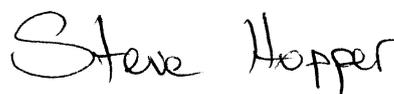
Another heritage project completed in the year was the restoration of the Marianne North Gallery. A celebration to mark this achievement included representatives from some of the countries portrayed as well as local communities. The support from the Heritage Lottery Fund played a major role in enabling this project to be undertaken, as did support from Defra.

The Landscape Master Plan for Kew was completed and the work continued with the development, and near completion, of the Landscape Master Plan for Wakehurst Place. This will provide a platform for negotiations with the National Trust to ensure a sustainable future for our sister site.

Showcasing Kew beyond our garden walls is important, and Kew's involvement in providing the theme for the UK Pavilion at the Shanghai Expo 2010, using seeds from Kew's Millennium Seed Bank to represent the world's biodiversity, was a fine example of this. The Kew Millennium Seed Bank Partnership has now entered its second phase and will provide both impetus and challenge to meet the goals for the next decade.

The year ahead will include Kew's Australia Landscape in the forecourt at the British Museum and a show garden at the Chelsea Flower Show, The Times Eureka Garden in association with Kew. This forms part of our growing practice to partner with renowned organisations.

The coming year will be testing as we forge ahead with our business change programme and step up our global reach and partnerships to address the continuing loss of biodiversity and environmental change. Maintaining good staff morale will be vital. I thank the Chairman and Trustees, all staff, volunteers and students for their contribution and look forward to working with them in the coming year.



Professor Stephen D. Hopper, FLS

Director (CEO and Chief Scientist)

Management commentary

The major thrust of the organisation’s activity is now aligned around the Breathing Planet Programme in order to maximise its relevance and impact in addressing the major environmental challenge we face today

The Breathing Planet Programme

There are seven key strategies:

- 1 Accelerating discovery and global access to plant and fungal diversity information** Discovering, collating and accelerating global access to essential information on plant and fungal diversity, through fundamental science, enhanced collection programmes and data-capture, including baseline information, applied Geographical Information Systems and novel identification tools such as web-based floras and DNA barcoding.
- 2 Mapping and prioritising** Identifying plant and fungal species and regions of the world most at risk of losing their wild diversity, to enable priority setting for conservation programmes, with the application of cutting edge IT and GIS approaches where they can enhance this process.
- 3 Conserving what remains** Helping implement global plant and fungal conservation programmes, such as the creation

of new, sustainably managed areas, through established and new partnerships, in countries richest in diversity and geographical extent of remaining wild vegetation.

- 4 Sustainable local use** Expanding plant and fungal diversity knowledge and Kew’s innovative science programmes to the identification and successful use of locally-appropriate plant species under changing climatic regimes on agricultural, urban and suburban lands.
- 5 Seed banking through the Millennium Seed Bank Partnership** Extending the Millennium Seed Bank’s global partnership programmes to secure in safe storage 25% of the world’s plant species by 2020, targeting species and regions most at risk from climate change.
- 6 Restoration ecology** Establishing a global network of partners in restoration ecology to facilitate the use of seed banks and other botanic garden resources in the urgent repair and re-establishment of damaged native vegetation.
- 7 Inspiring through botanic gardens** ‘Kew for You’ – delivering enjoyable, inspiring experiences and horticultural displays that transform people’s understanding of plant diversity and conservation and their relevance to environmental challenges worldwide.

Performance targets and results

Performance over five years

Key Performance Indicator	Outcome 2006/07	Outcome 2007/08	Outcome 2008/09	Outcome 2009/10	Outcome 2010/11
1 Publications	465	518	300	380	356
2 High impact publications	78	87	60	116	82
3 Conservation and sustainability assessments	3,848	4,523	2,663	2,665	10,231
4 Major habitat conservation surveys	12	9	7	7	9
5 Training delivered – capacity building	na	24,000	25,330	27,306	22,852
6 Access to the collections: live visits	26,608	27,737	27,982	27,868	26,713
on-line visits	na	200,000	2,050,000	2,930,000	1,768,200
7 Collections digitally catalogued (cumulative)	na	473,000	539,880	600,367	652,760
8 Status of the collections (% currently accessible)	na	79%	84%	87%	86%
9 Visits to the gardens	1,836,470	1,958,860	1,818,000	1,701,000	1,630,000
10 Web visits	na	2,800,000	3,590,000	4,369,000	4,095,000
11 Staff and volunteer retention (%)	na	83%	85%	86%	89%
12 Total revenue generated (£’000)	£43,200	£51,300	£52,100	£46,000	£45,500

Publications are reported by calendar year. Figures for earlier years are periodically updated and ‘high impact’ journals re-assessed using more recent citation figures.

Visitor figures also include events such as concerts, evening attractions, etc.

na – this data was not collected before 2007/08

Management commentary continued

Performance targets and results 2010/11

Key Performance Indicator	Outcome 2009/10	Target 2010/11	Outcome 2010/11	% vs Last Year	% vs Target
1 Publications	380	350	356	- 6	+ 2
2 High impact publications	116	65	82	- 29	+ 26
3 Conservation and sustainability assessments	2,665	3,000	10,231	+ 284	+ 241
4 Major habitat conservation surveys	7	10	9	+ 29	- 10
5 Training delivered – capacity building	27,306	22,000	22,852	- 16	+ 4
6 Access to the collections: live visits	27,868	25,000	26,713	- 4	+ 7
on-line visits	2,930,000	2,400,000	1,768,200	- 40	- 26
7 Collections digitally catalogued (cumulative)	600,367	667,000	652,760	+ 9	- 2
8 Status of the collections (% currently accessible)	87%	83%	86%	- 1%	+ 3%
9 Visits to the gardens	1,701,000	1,655,000	1,630,000	- 4	- 2
10 Web visits	4,369,000	4,000,000	4,095,000	- 6	+ 2
11 Staff and volunteer retention (%)	86%	83%	89%	+ 3%	+ 6%
12 Total revenue generated (£'000)	£46,000	£52,000	£45,500	- 1	- 13

Publications are reported by calendar year. Figures for earlier years are periodically updated and 'high impact' journals re-assessed using more recent citation figures.

Visitor figures also include events such as concerts, evening attractions, etc.

Commentary on performance against targets

Overall

In 2010/11, seven of the Key Performance Indicators, KPIs, exceeded their target, four did not achieve their target and in addition, the target for KPI 6a was exceeded while that for 6b was under target. The principal causes of the under-achievement on KPIs 4, 6b, 7, 9 and 12 were related to the current economic climate including issues with recruitment, visitor numbers and difficulties of fundraising. These conditions are likely to continue for the next three years.

1 & 2 Publications

The total number of publications (calendar year) is over target, which reflects successful collaborations, notably the continued work by the phylogenetic, Brazilian, Cameroonian and Chinese programmes, other in-country collaborative programmes and successful UK research council-funded projects (NERC). For high impact papers, the outcome is well above target, and Kew maintains the previous high output.

3 Conservation and sustainability assessments

Conservation and sustainability assessments which include comprehensive assessments of defined geographical areas, e.g. nature reserves or national parks, exceeded the target by three

times, which was a remarkable achievement. The high number reflects the publication of the *Red Data Book for Cameroon* this year, which included over 7,000 assessments.

4 Major habitat conservation surveys

These were just below target. This measure covers comprehensive assessments of defined geographical areas, e.g. nature reserves or national parks, so numbers are modest and will fluctuate. This KPI is dependent on external funding which remains difficult.

Output this year included the publication of the Darwin Initiative funded *Red Data Book for Cameroon* as well as a conservation checklist for the *Plants of Mefou* in Cameroon, a report for the Pro-Natura International project on Coastal dry forests of Cabo Delgado Province, northern Mozambique, and habitat assessments in Congo (Brazzaville), Sierra Leone and Guinea funded through the Kew Innovation Unit. This year also saw the end of the conservation assessment and implementation in Huarango forest relics project in south coastal Peru. As part of longer running projects, there was also work undertaken in Brazil, Madagascar and Kuwait.

Performance targets and results continued

5 Training delivered

Above target overall but the final 'people trained' is more than 4,700 people-days down on last year. Numbers are lower in nearly all categories, but particularly so for interns and those attending short professional retraining courses from outside the EU. This is a result of the visa issues that apply to anyone seeking a non-EU student visa. This has been partly resolved since Kew acquired a Tier 5 Charity Worker licence, however, we are still going through the process of becoming a recognised education provider so that those attending short courses can apply for Tier 4 visas. The adoption of quotas for such visas means that it is still unlikely to be easy to bring students into the UK to receive this vital professional training and in some cases Kew is looking at running courses in partner countries. Despite visa issues affecting the running of the International Diploma courses, short course numbers were higher, due to two Seed Conservation Techniques courses held outside the UK: the Wood Identification course and regular CITES courses. As in previous years, horticultural training (Kew Diploma, traineeships, apprenticeships and interns) makes up more than 60% of the total.

6 Access to collections

The figure for live visits (6a) to Kew facilities is above target, though more than a thousand down on last year (2009/10) due to fewer numbers of visitors at open days and a modest reduction in professional visits reflecting the economic turndown and pressure on travel budgets.

The figure for online access to the collections (6b) is 26% down on target. The figure is made up of online access to science systems via the website and access to the library systems remotely, both of which are lower than expected. There are no obvious trends to explain this, although when the target was set it was planned for the archive catalogue to be electronically available during 2010/11, which would have increased access. It is expected that the Archive catalogue will be widely used.

7 Collections digitally catalogued

Once again progress was made with the digitisation of the collections but numbers dropped by 21% due to inability to fill core staff positions through the delay in being able to recruit staff.

Kew has contributed to the Global Plants Initiative project involving over 200 institutions from over 50 countries. Images of over 1 million specimens have been made available through this initiative, funded by the Andrew Mellon Foundation. Kew has contributed over 150,000 of these images.

8 Status of the collections

Overall the target has been exceeded. Four out of the five major collections monitored (horticulture, herbarium, library, archives) have comfortably exceeded the cumulative target of 83%, the only exception being the Millennium Seed Bank where 69% of the total number of sampled seed collection achieved a germination level of 75% or more.

In May 2010 the new Reading Room facility was opened and the improved access provided to all the Library, Art and Archive Collections has been matched by a growth in use, especially from external users. However, difficulties with recruitment have made it impossible to maintain five day per week opening and from November 2010 the Library has unfortunately been closed on Fridays. We are seeking to reverse this situation as soon as staff numbers can be returned to sufficient levels.

9 Visits to the gardens

The total number of visitors was just below target. Both sites faced extremely challenging winter weather yet again and there were long periods of wet weather in August and October (hitting autumn half-term visitation). The reduction in visitation in 2010/11 compared to 2009/10 was in line with the rest of the outdoor attraction sector. Cuts to the marketing budget, and the restrictions on communications and recruitment have hit this part of the business particularly hard with longer than usual vacancies following staff resignations. These have all impacted on the resource available to bring in visitors in 2010/11 and are likely to affect 2011/12 figures.

10 Web visits

Website visits exceeded target. Web statistics were audited by a government-approved agency, which found that for a sample month Kew under-reported by 4%. The reported figure may therefore be marginally under-estimated.

11 Staff and volunteer retention

The target was exceeded, with both staff and volunteer retention comfortably exceeding the annual target. This may be due in part to the current economic climate although the overall statistic does hide higher levels of staff turnover in certain areas. Where there has been higher staff turnover, this may be attributable to carrying vacancies as a result of the recruitment freeze and working in conditions of financial restraint which adversely impact workloads, job satisfaction and career development. Volunteering continues to experience a controlled expansion through one of our key volunteer strategies to increase the number of hours each volunteer donates.

12 Total revenue generated

Income was substantially below the target of £52m. This was a result of a combination of factors, the most notable being the reduction in Grant-in-aid from Defra and reduced income from admissions and other visitor related sources as a result of lower visitor numbers.

Key performance targets 2011/12

Kew is modifying some of its performance indicators, KPIs, to reflect the aims and objectives of the Breathing Planet Programme. New KPIs and a brief background to changes are set out below:-

BPP strategy	Key Performance Indicator	Target 2011/12	Outcome 2010/11
1	1. Number of publications, including high impact (calendar year basis) †	420	356
	2. Number of collection items digitised	78,000	52,393
	3. Status of living collection (% currently accessible)	83	86
	4. Number of species treatments*	2,000	**
2	5. Number of species conservation assessments completed†	1,500	**
3	6. Number of habitat surveys and in situ conservation projects supported on the ground†	10	9
4, 5, 6	7. Number of collections used by external organisations for research, sustainable use and restoration programmes *	25,000	**
	8. Number of species use reports	1,100	**
7	9. Training delivered externally	22,000	22,852
	10. Number of visits to the gardens (millions)	1.655	1.630
	11. Number of web visits (millions)	4.5	4.1
8 – Enabling functions	12. Staff and volunteer retention (%)	83	89
	13. Income (£ millions) – Defra (Capital)†	£7.0	£7.9
	14. Income (£ millions) – Defra (Operational) †	£15.7	£16.7
	15. Income (£ millions) – Non Defra †	£23.6	£20.9
	16. H&S RIDDOR accident frequency rate per 100,000 hours*	-25%	**
	17. Progress against CRC Energy Efficiency Scheme*	705	**
	18. Availability of IT services*	95%	**

† Minor amendments have occurred e.g. publications are now one indicator rather than two, and income is now split into three indicators.

* New KPIs

** Comparatives not available

The Breathing Planet Programme (BPP) has been at the heart of business delivery since its inception in 2009. Implementing the new Business Plan meant that the timing was appropriate to review the existing KPIs to ensure they were aligned to the BPP and that performance across the organisation could be appropriately monitored and reported. Some KPIs remain

unchanged as they are still very relevant and an appropriate indicator for some of the BPP strategies. Overall, the number of KPIs has increased from 12 to 18 and represents a welcome opportunity for Kew to be able to report on key areas of the BPP and communicate over the next year how it is being delivered.

Management commentary continued

Review of activities

The 2010 United Nations International Year of Biodiversity provided the Royal Botanic Gardens, Kew with a central theme to communicate its mission and focus its ongoing plant conservation work with partners around the world, seeking solutions to threats to biodiversity. Central to this is Kew's Breathing Planet Programme, which has been described by Sir David Attenborough as 'perhaps the most exciting, urgent and necessary conservation and sustainability initiative of our time.' The year began with Kew's Millennium Seed Bank Partnership entering its second phase, with impetus to meet its goals for the next decade. The Partnership is working to broaden its remit to species of importance in agriculture, horticulture and forestry. A partnership with the Global Crop Diversity Trust was announced, working on a global crop wild relatives seed conservation programme, aimed at improving world food security and protecting global food supplies against the threat of climate change.

Green Talent, a Government job placement scheme for young people, was launched in a unique partnership between Kew, the Eden Project, the RSPB and the Institute for Education Business Excellence. In April, Kew's horticulturists built the South Africa Landscape at the British Museum, situated on its west lawn, and highlighting the rich diversity of plant life in South Africa – a country that is home to three internationally renowned biodiversity hotspots. This garden celebrated the two institutions' shared vision to strengthen cultural understanding and support biodiversity conservation across the world. Also in April, Her Highness Sheikha Mozah bint Nasser Al Missned, Chairperson of Qatar Foundation, joined HRH The Prince of Wales to plant a Sidra tree sapling at Kew, to open an exhibition on Qatar's Qur'anic Garden and permanently mark the International Year of Biodiversity 2010.

In May it was announced that the smallest waterlily in the world was brought back from the brink of extinction by Kew scientists, who cracked the enigma of growing a rare species of this African species, endemic to just one known location in Mashyuz, Rwanda. Throughout the summer, visitors to Kew Gardens were invited to explore not only the stunning Gardens in full bloom, but also to delve into the hidden world of plant pollination and discover how plants work together with insects and other animals to sustain life, through a range of activities and exhibitions. This theme was continued at Kew in the autumn, with a botanical play area encouraging children to learn about the importance of plants. New caterers, Peyton and Byrne, began a six year contract, which will see significant investment and refurbishment of four venues at Kew Gardens. A new steering group was formed to develop a Landscape Master Plan for Wakehurst Place and the Millennium Seed Bank land owned outright by Kew. The National Trust and Natural England are both to be consulted in the planning process. Old and New South American Botanical Art was a vibrant exhibition shown in the Shirley Sherwood Gallery of Botanical Art, featuring historic paintings from the Real Jardín Botánico, Madrid's Mutis Collection alongside contemporary works from the Shirley Sherwood Collection. In July Princess Alexandra visited Kew to unveil an English Heritage Blue Plaque at the Director's House on Kew Green for former Kew Gardens directors, Sir William and Sir Joseph Hooker, the father and son who transformed Kew in the nineteenth century, to mark their

significant contribution to botanical study. Kew's Millennium Seed Bank provided the central theme for the UK Pavilion at Shanghai Expo 2010. The Pavilion's design incorporated thousands of seeds representing the world's biodiversity, provided by MSB partner the Kunming Institute of Botany.

In September results of the Sampled Red List Index for Plants were announced. This global analysis of extinction risk for the world's plants, conducted by Kew together with the Natural History Museum, London and the International Union for Conservation of Nature (IUCN), revealed for the first time that over 20% of the world's estimated 380,000 plant species are under threat. The Secretary of State noted that this report was essential in the lead up to the international biodiversity meeting in Nagoya, in October, where Kew had input as part of the UK negotiating team setting new targets for the Global Strategy for Plant Conservation for 2011 through to 2020. Kew's historic Herbarium, Library, Art and Archives launched its new state-of-the-art 5,000m² extension designed by Edward Cullinan Architects. The new wing provides a modern space for part of the Herbarium, Library, Art and Archives' existing preserved plant, botanical art, archive and book collections and allows for future acquisitions. In December, Kew, in partnership with Missouri Botanical Garden, announced the completion of The Plant List, a working list of all land plant species. This landmark international resource is fundamental to understanding and documenting plant diversity and effective conservation and represents a major accomplishment in worldwide plant conservation efforts.

As the International Year of Biodiversity drew to a close, Kew's scientists celebrated the diversity of the planet's plant and fungal life by highlighting some wonderful and stunning discoveries made during the year. These included a parasitic, tropical mistletoe, first discovered near the summit of Mount Mabu in northern Mozambique; from Vietnam a strikingly beautiful orchid, *Dendrobium daklakense*; a gigantic tree, *Magnistipula multinervia* in the lush green rainforests of Cameroon, and 14 Madagascan palm species, all threatened in the wild, and bringing the total number of Madagascar palm species discovered by Kew scientists to 101; 54% of the total Madagascar palm flora. Species brought back from the brink of extinction included the Ascension Island parsley fern; *Alcantarea hatschbachii*, a green-flowered member of the Bromeliaceae (pineapple family) in Brazil, and the long-lost, rediscovered British fungus, bird's-eye primrose smut (*Urocystis primulicola*).

The year started with the publication of the Independent Review of the Royal Botanic Gardens, Kew, carried out on behalf of Defra (the Chalmers' Report). The report praised Kew's impressive achievements and set out recommendations to ensure and improve on its success as major plant science research facility and popular visitor attraction. These recommendations have been considered and acted on during the year. Significant amongst them has been the reorganisation of senior management, with notable appointments of Professor Angela McFarlane as Director, Public Engagement and Learning and Dr Tim Entwisle as Director, Conservation, Living Collections and Estates.

Statutory information

History of the body and statutory background

The Board of Trustees of the Royal Botanic Gardens, Kew was established under the National Heritage Act 1983 and came into existence on 8 August 1983. From 1 April 1984 responsibility for the Royal Botanic Gardens, Kew was transferred from the Minister of Agriculture, Fisheries and Food (now Secretary of State for Environment, Food and Rural Affairs) to the Board of Trustees. Under the above Act, Kew is a Non-Departmental Public Body with exempt charitable status.

Objectives

Subject to the provisions of the National Heritage Act 1983 the Board's general functions 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 the Board is for the time being, in fact 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 the Board's resources allow; and
- afford to members of the public opportunities to enter any land occupied or managed by the Board, for the purpose of gaining knowledge and enjoyment from the Board's collections.

The resources supporting the first five objectives are included in 'Research and conservation' in the Statement of Financial Activities and those supporting the final objective are included in 'Visitor activities'.

Results

The accounts have been prepared in a form directed by the Secretary of State for Environment, Food and Rural Affairs, with the approval of Treasury, under Schedule I Part IV subsection 39(4) of the National Heritage Act 1983 and on the basis of the accounting policies set out in Note 2.

Total incoming resources for the year were £47.1m (2009/10 £49.0m) of which £24.6m (£28.6m) was Grant-in-aid from the Department for Environment, Food and Rural Affairs. Total resources expended were £47.0m (£50.7m) leaving a surplus of £0.1m (deficit £1.7m).

Total reserves increased to £121.6m (£119.1m). These include a substantial amount to reflect the value of certain land and buildings to which the Trustees do not have title (see below).

Land and buildings

The Board of Trustees do not hold title to the land and buildings used by the Royal Botanic Gardens, Kew, except for the Wellcome Trust Millennium Building and adjacent land at Wakehurst Place; the National Trust owns the freehold of the remaining land at Wakehurst Place. The land and buildings at the Kew Gardens site are owned by the Crown. The Board is liable to maintain and replace all the buildings that they use.

Information on land and buildings can be seen in Note 14.

Other fixed assets

Significant changes in other fixed assets are shown in Note 13.

Investments

Investments are detailed in Note 15 and are held in accordance with the Trustees' powers. Due to the limited investment funds available the Accounting Officer and Trustees consider the Charities Official Investment Fund provides an adequate balance between risk and reward.

Payment to creditors

It is Kew's policy to settle all invoices with its creditors within 30 days unless otherwise specified in the contract, and to observe the principles of CBI Code – Prompt Payments. During 2010/11 Kew settled its debts on average in 26 days (2009/10 26 days).

Reserves

The Reserves of the organisation are explained in Note 2 of the Accounts. The Board has agreed that the unrestricted part of the Accumulated Reserves should not fall below a minimum of £3.0m to give the organisation the flexibility to cope with funding fluctuations. The Reserves Policy is reviewed on an annual basis. At present this fund stands at £5.4m and will be used to partly fund Kew's major capital needs deriving from the Breathing Planet Programme.

Research and development

The Royal Botanic Gardens, Kew is a world-leading organisation with over 400 staff working on the scientific understanding and conservation of plants and fungi. This activity covers the full range of botanic and mycological science from molecular biology to horticulture and its aim is to guide all its work so that it will produce outcomes in conservation and sustainability that benefit humanity.

Kew aims to maximise its impact through partnerships and collaboration with universities, botanic gardens, conservation organisations, industry and government. Kew holds a range of botanic and mycological collections and data that are of global importance and it aims to enhance digital access to these resources so that they can be used more effectively and rapidly at the point of need. These aims are set out in more detail in the Breathing Planet Programme on page 6.

Management commentary continued

Statutory information continued

Foundation and Friends of the Royal Botanic Gardens, Kew

The Foundation and Friends of the Royal Botanic Gardens, Kew is a registered charity (registration no. 803428) which is independently administered. Its purpose is to provide support for Kew by the raising of funds for Kew's activities. It does this by attracting sponsorship for projects and through an active and growing membership, committed volunteers and by enhancing awareness of Kew's work. There are common trustees on the Foundation and Kew's Board – see Note 26.

Kew did not support the Foundation financially in 2010/11.

RBG Kew Enterprises Limited

Kew owns 100% of the issued share capital of RBG Kew Enterprises Limited. This company carries out the following activities of Kew: retailing, concerts, licensing and venue hire. Its results have been fully consolidated into the accounts of Kew.

Director (CEO and Chief Scientist)

The Director (CEO and Chief Scientist) of the Royal Botanic Gardens, Kew throughout the year was Professor Stephen Hopper.

Board of Trustees

The membership of the Board of Trustees during the year is as follows. One Trustee is appointed by the Queen; the Chairman and other Trustees are appointed by the Secretary of State for Environment, Food and Rural Affairs.

Chairman

Marcus Agius f, r

Appointed by Her Majesty The Queen

George Loudon f, r

Trustees

Professor Michael Crawley FRS (appointed 31 March 2011)

Professor Jonathan Drori CBE f, r

Tessa Green CBE (appointed 31 March 2011)

Dr Geoffrey Hawtin

Timothy Hornsby CBE a

Sir Henry Keswick

Professor Nicola Spence

Professor Sir William Stewart FRS

Jennifer Ullman a

Sir Ralph Ferrers Vyvyan

Professor H Charles J Godfray FRS (retired 30 October 2010)

Professor Sandy Harrison (retired 30 October 2010)

a Audit and Risk Committee

f Finance Committee

r Remuneration Committee

In addition, Richard Keys acts as an independent, non-Trustee member of the Audit and Risk Committee (appointed 3 March 2011).

On appointment Trustees are briefed by Defra and offered induction by Kew to learn about the diverse areas of activity.

The Board of Trustees is responsible for agreeing the strategy of the organisation through approval of the Business Plan and the budgets. The Director is responsible for developing and implementing the strategy and for the day to day operation of the organisation in conjunction with the Executive Board. The Business Plan is updated annually and following approval by the Board is submitted to the Department for Environment, Food and Rural Affairs for approval by the Secretary of State.



Marcus Agius (Chairman)



Michael Crawley



Jon Drori



Tessa Green



Geoffrey Hawtin



Timothy Hornsby

Trustees details

Marcus Agius is Group Chairman of Barclays PLC and Chairman of the British Bankers' Association. He is also a Senior Independent Director of the BBC and Chairman of the Foundation and Friends of the Royal Botanic Gardens, Kew. Formerly: Chairman of Lazard London, Deputy Chairman of Lazard LLC, and Chairman of BAA PLC.

Michael Crawley is Professor of Ecology at Imperial College London. He is a member of the Advisory Board of the Chelsea Physic Garden, and Chair of the Science and Research Committee of the Botanical Society of the British Isles. He is botanical recorder for two vice counties: Berkshire and East Sutherland.

Jonathan Drori is Director of Changing Media Ltd, a London consulting group. Visiting Professor at Bristol University, specialising in misconceptions in science and in the uses of technology for learning. Adviser to public bodies on new media and audience strategies. Previously: Director of Culture Online at the Department for Culture Media and Sport, Head of Commissioning for BBC Online, Head of Digital Media and Learning Channels, Executive Producer and Television Director.

Tessa Green is recently retired Chairman of the Royal Marsden NHS Foundation Trust and the Royal Marsden Cancer Campaign. Formerly: Trustee of the Institute of Cancer Research and Head of Corporate Affairs at Carlton Communications Plc.

Geoffrey Hawtin is an international expert in the conservation and use of plant genetic resources. He was the founding director of the Global Crop Diversity Trust based in Rome and is currently its senior advisor. He also chairs the Board of Directors of the international Tropical Agricultural Research and Higher Education Centre (CATIE) in Costa Rica. During his career he has also been the CEO of two scientific research institutes of the Consultative Group on International Agricultural Research: the Centro Internacional de Agricultura Tropical (CIAT) in Colombia and Bioversity International in Italy.

Timothy Hornsby is Chair of the Horniman Museum, Chair of the Harkness Fellows Association, independent member of the Consumer Council for Water, Trustee of the International Institute for Environment and Development and of the Charles Darwin Trust and Governor of the Legacy Trust. Previously: Chair of the National Lottery Commission, following Chief Executive Roles at the National Lottery Charities Board (now the Big Lottery Fund), the Royal Borough of Kingston and the Nature Conservancy Council.

Henry Keswick is Chairman of Jardine Matheson. Formerly: Chairman of the National Portrait Gallery, President of the Royal Highland Agriculture Society, proprietor of *The Spectator*, and a member of the National Trust Council.

George Loudon is Chairman and Director of a number of investment and other firms including Pall Mall Capital Ltd and Altius Associates Ltd. Formerly: Director of Midland Bank Plc and former Vice-Chairman of the Amsterdam Stock Exchange, Director of the Multiple Sclerosis International Federation, Board member of the Rijksakademie Beeldende Kunst (Amsterdam) and Trustee of both the Galapagos Conservation Trust and the London Library.

Nicola Spence is Chief Executive of Science City York and was previously Chief Scientist at the Food and Environment Research Agency and Head of Plant Health at the Central Science Laboratory. She is Special Professor in applied plant pathology at the University of Nottingham and an expert in plant health and international plant trade. She is also a scientific adviser to the BBSRC and the EU.

William Stewart Formerly: Chief Scientific Adviser, Cabinet Office, and the first Head of the UK Office of Science and Technology. Founding Professor of Biological Sciences at the University of Dundee, Secretary of the Agricultural and Food Research Council, member of the Royal Commission on Environmental Pollution, President of the British Association for the Advancement of Science, President of the Royal Society of Edinburgh, a vice-President of the Royal Society and recently retired as Chairman of the Health Protection Agency.

Jennifer Ullman is a landscape consultant, specialising in management and strategic planning for public open spaces. She is also a board member for green space and historic garden charities. Formerly: Chief Parks Officer for Wandsworth Borough Council.

Ralph Ferrers Vyvyan is the owner and manager of Trelowarren Estate in Cornwall, and is Chairman of the Royal Institution of Cornwall (RIC). He is President Royal Cornwall Agricultural Association 2011, Director Cornwall Sustainable Building Trust and Deputy Lieutenant Cornwall 2011. He has an Architectural Association post-graduate diploma in Historic Parks and Gardens. Formerly: High Sheriff of Cornwall 2008 And Chairman Cornwall Gardens Trust 2003–2008.



Henry Keswick

George Loudon

Nicola Spence

William Stewart

Jennifer Ullman

Ralph Ferrers Vyvyan

Management Commentary *continued*

Statutory information *continued*

Internal audit

The Board has appointed internal auditors who report to an Audit and Risk Committee, constituted from members of the Board of Trustees, and to the Director as Accounting Officer. The internal auditors review Kew's systems of internal control and make recommendations for improvements through detailed reports on areas covered and an annual report summarising their work.

Advisors

Bankers

The Royal Bank of Scotland
26a The Quadrant
Richmond
Surrey, TW9 1DF

Auditor (Kew and RBG Kew Enterprises Ltd)

Comptroller and Auditor General
National Audit Office
157–197 Buckingham Palace Road,
London, SW1W 9SP

Solicitors

Burges Salmon LLP
Narrow Quay House
Narrow Quay
Bristol, BS1 4AH

Disabled persons

Kew supports the employment of disabled people wherever possible, by recruitment, by retaining all those who become disabled during their employment, and generally through training, career development and promotion.

Sickness absence

The average number of days sickness for staff in 2010/11 was 5.3 (2009/10 6.3).

Personal data related incidents

Kew is not aware of any personal data related incidents during 2010/11. We continue to focus on improving our systems in this area.

Employee involvement

Consultations take place with employees' representatives so that the views of employees may be taken into account in making decisions which are likely to affect their interests.

Environment, social and community issues

Kew has a commitment to conservation and sustainable use of plant and fungal diversity, and this extends to our own practices at Kew Gardens and Wakehurst Place. Running a World Heritage Site with 42 listed buildings including large Victorian glasshouses poses a number of challenges to our energy conservation project. Led by the Kew Estates team, we are actively working to reduce energy consumption across the site. We were delighted to retain our ISO14001 accreditation. The implementation of the Environmental Management System at Wakehurst Place in particular was recognised as well managed with steady environmental improvements in place. However, to retain this accreditation in the future Kew needs to develop and implement a more sustainable procurement procedure across the whole organisation. In 2008 Kew Gardens was the first London attraction to achieve Gold in the Green Tourism Business scheme. Following a recent assessment Kew Gardens has been successful in retaining the award once again through a combination of heritage protection, innovation and practical action.

Community Outreach is part of Kew's long term strategy to broaden participation and engagement at Kew Gardens. Kew works in collaboration with a number of key organisations, including Historic Royal Palaces, the British Museum and Orleans Gallery in Twickenham to provide workshops, events, activities and resources for the diverse communities that live in and around the Kew Gardens area, in particular Hounslow, Ealing and Hammersmith & Fulham.

Kew staff are building long-term relationships with a number of community partners such as Feltham Arts, local Asian Women's Groups, residential care homes and housing groups to inform and exchange views on the values of our natural heritage. The education development manager additionally manages an external Access Forum for Kew, which advises on how best to engage and support audiences with impairments. Kew not only supports community outreach in the UK but also internationally, working with Non-Government Organisations in Argentina and other South American countries.

In 2010 Kew staged over 400 events for community partners on and off the Kew site. Partnerships with a range of groups from young offenders to Black, Asian and Minority Ethnic (BAME) communities have brought new faces to Kew and some 4,000 people have accessed Kew through the community programme which offers free group entry. Talks and courses on both sites, largely attended by local residents, offered over 30 events from badger watching to botanical illustration with some 2,500 people attending. In addition, weekly talks offered through the Kew Mutual Improvement Society during term time provide a chance for the public to hear from students and invited speakers.

Volunteers and donated services

Kew is committed to supporting and promoting the concept of active citizenship and to inspiring people to value and conserve the natural environment. We recognise the vital and integral role played by volunteers in our work and the valuable contribution made by volunteers to the Kew community. Kew has a record of working with volunteers since 1992 and there are currently over 540 volunteers generously donating their time and talent to Kew's Breathing Planet Programme across our two sites. Our volunteers donate a range of diverse skills including horticultural support, guiding, and support to our schools and families programmes and science departments. Last financial year our volunteers donated in excess of 85,600 hours to Kew's mission and, in addition, Kew benefits from the valuable contribution made by c.60 Honorary Researchers and Associates.

One of the key quantitative indicators of our volunteers' value to our organisation is the 'Volunteer Investment and Value Audit' (VIVA Ratio), which demonstrates that for every £1 the organisation invests in our volunteering programme, we receive over £7 in return – a 'return' figure that has doubled in the last three years. However, equally important is all the qualitative data and feedback that we receive concerning the value that our sterling volunteers bring to Kew.

Alongside the traditional volunteer roles Kew provides short-term work experience placements and internships in conjunction with various agencies and educational establishments. In the financial year 2010/11, 36 Horticultural interns donated c.15,500 hours to Kew. In addition, Kew promotes environmental volunteering by hosting 'Employee Volunteering Days' for the corporate sector. Last year 180 people undertook corporate volunteering within the horticultural teams over nine days.

Kew is committed to enabling as diverse a section of the community as possible to become involved in varied forms of voluntary activity at Kew and to offering them any necessary support. We work with our 'third sector' colleagues to provide

assisted volunteering placements for those volunteers who may have some sort of special educational need or disability and last year such placements accounted for over 10% of our horticultural volunteers.

In recognition of how important volunteers are, Kew consulted with pertinent stakeholders and developed an integrated Three Year Strategy for the Development of Volunteering at Kew. This provides a framework for the continued development of work with volunteers across Kew in a common, consistent, equitable and sustainable way within the context of Kew's Mission and the Breathing Planet Programme. Our strategy focuses on enhancing our volunteers' experience by encouraging our volunteers to get involved in the Kew community and in multiple volunteering roles and experiences, thereby maximising the cost effective use of our volunteers' skills.

Going concern

The Trustees have considered the factors that may influence the organisation in the next 12 months, in particular the agreed Grant-in-aid from Defra for 2011/12 and the agreed Business Plan for 2011/12, and believe that it is appropriate to prepare the accounts on a going concern basis.

The Accounting Officer and Board of Trustees confirm

- there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps they ought to ensure the auditor is aware of all relevant audit information.



Marcus Agius
Chairman of the Board of Trustees
22 June 2011



Professor Stephen D. Hopper, FLS
Director (CEO and Chief Scientist)
22 June 2011

Statement of Trustees' and Accounting Officer's responsibilities

Under Schedule 1 Part IV subsection 39(2) National Heritage Act 1983 the Board of Trustees of the Royal Botanic Gardens, Kew is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Environment, Food and Rural Affairs, with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Royal Botanic Gardens, Kew's and the group's state of affairs at the year end and of the group's incoming resources, application of resources and cash flows for the financial year.

In preparing the accounts the Trustees and Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- **observe the Accounts Direction issued by the Secretary of State for Environment, Food and Rural Affairs including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;**
- **make judgements and estimates on a reasonable basis;**
- **state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and**
- **prepare the financial statements on a going concern basis.**

The Accounting Officer for the Department for Environment, Food and Rural Affairs has designated the Director of the Royal Botanic Gardens, Kew as the Accounting Officer for the Royal Botanic Gardens, Kew. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Royal Botanic Gardens, Kew's assets, are set out in the Accounting Officers Memorandum issued by the Treasury and published in *Managing Public Money*.

Statement on internal control

1. Scope of responsibility

The Director, as Accounting Officer, and the Chairman, as representative of the Board of Trustees, have joint responsibility for maintaining a sound system of internal control that supports the achievement of Kew's policies, aims and objectives, whilst safeguarding the public funds and assets for which the Director is responsible in accordance with the responsibilities assigned to him in Managing Public Money. In addition, the Director is accountable to the principal Accounting Officer of the Department for Environment, Food and Rural Affairs (Defra) to enable him to discharge his overall responsibility for ensuring that Kew, as a Defra Non-Departmental Public Body, has adequate financial systems and procedures in place.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Kew's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kew for the year ended 31 March 2011 and up to the date of the approval of the Annual Report and Accounts, and accords with Treasury guidance.

3. Capacity to handle risk

Strategic leadership on risk management comes from the Executive Board with oversight, on behalf of the Trustees, by the Audit and Risk Committee which is able to draw on the expertise of Trustees with experience of the private sector and other government bodies. Further, at the March 2011 meeting the Committee was strengthened by the appointment of Richard Keys who recently retired from PricewaterhouseCoopers where he was a senior client and assurance partner and held the roles of Global Chief Accountant and UK leader of Professional Standards and Risk Management. In addition he is currently a member of the Council of the University of Birmingham and chair of the University's Audit and Risk Committee.

The Risk Policy is available to all staff on the intranet along with a summary of the Corporate Strategic Risk Register and other guidance on risk management. This policy, inter alia, sets out a hierarchy of risk documentation including operational and project risks which sit beneath the Corporate and Strategic Risk Register. Organisation-wide quarterly reviews of the main risks facing Kew and mitigation actions as set out in the Corporate Strategic Risk Register are carried out and Risk is considered as a standing item at the Executive Board's monthly meetings. The Corporate Strategic Risk Register is reviewed by the Audit and Risk Committee in full annually and in summary at each of the other meetings and was endorsed during 2010/11.

4. The risk and control framework

• Governance

Kew embraces the principles and requirements of good corporate governance. The Board consists of 12 Trustees, 11 appointed by Defra and 1 by the Queen. There are three sub-committees of the Board – the Audit and Risk Committee, the Finance Committee, and the Remuneration Committee. On the Audit and Risk Committee there are 2 Trustees and 1 independent non-Trustee member, on the Finance Committee 3 Trustees and on the Remuneration Committee 3 Trustees. Each of the Committees has written Terms of Reference and minutes of the Finance and Audit and Risk Committee meetings are provided to the full Board and discussed as necessary. The Board of Trustees meets 5 times a year, the Audit and Risk and Finance Committees three times a year and the Remuneration Committee annually. The members of the Board and Committees are detailed in the Annual Report and there is a written Code of Conduct for each of them.

Defra is the sponsor Department for Kew and there is an agreed Management Statement and Financial Memorandum which governs the relationship between the two organisations. Formal quarterly meetings take place between Defra officials and Kew management and there is regular contact at other times. Defra is consulted during the development of the Business Plan each year and after final approval by the Trustees it is submitted to Defra for approval by the Minister. Monthly returns of income and expenditure are submitted to Defra and the Annual Report and Accounts are approved by the Secretary of State prior to laying before Parliament. During 2010/11 Kew has had extensive engagement with Defra about the Spending Review and the need to address the Government's need to make savings and meet its transparency agenda.

Kew has an Executive Board to lead and manage the organisation. During 2010/11 this Board was restructured to provide more focused and effective senior management.

Kew has an Internal Audit function which operates to the standards defined in the Government Internal Audit Standards. The annual internal audit plan is set within a three year rolling plan approved by the Audit and Risk Committee. To ensure that assurance is provided on the full range of internal controls, the internal audit plan has been extended beyond the major financial controls to include reviews of the activities of the whole organisation. The internal auditors submit regular reports which include the Head of Internal Audit's annual, independent opinion on the overall adequacy and effectiveness of Kew's system of governance, risk management and internal control, together with recommendations for improvement. The Audit and Risk Committee reviews all the reports and satisfies itself that the management responses and action plans to deal with the issues raised are appropriate. The Internal Auditors update the Audit and Risk Committee on progress on all action plan points not yet completed.

The Comptroller and Auditor General is the external auditor for Kew as required by the National Heritage Act 1983.

• Risk strategy and risk management

With the wide range and complex network of stakeholders interested in Kew, it is essential that Kew's approach to, and appetite for, risk is carefully assessed. The individual objectives of Kew are interconnected and, as a result, the achievement of each of the objectives can be influenced by the actions needed to deliver the other objectives. Kew's approach to this has been to adopt a policy of well thought through risk-taking to ensure an appropriate balance of inputs and a successful record of outputs against each objective.

In this context Kew has ensured that the risk management arrangements have been kept under constant review in recognition that good risk management will deliver better services, improve efficiency, help the reliability of decisions and support innovation. Strategically, Kew concentrates its assessment of risks on a small number of key risks that provide a focus for the Board and Executive Board. The main actions and controls that help to mitigate the risks are detailed in the Corporate Strategic Risk Register along with clear responsibility and ownership for each of the controls.

Beneath the Corporate Strategic Risk Register, Kew is reinforcing the risk policy at an operational level by carrying out a programme of risk workshops and training on the benefits of risk management at departmental level. The Audit and Risk Committee receives regular updates on the progress of the roll out of the operational risk registers. The aim is to have a full hierarchy of operational risk registers in place and substantial progress has been made in this financial year. Draft operational registers are in place across the organisation, and management are starting to include risk as an agenda item on their team meetings, to ensure operational risks are monitored on a regular basis.

The Executive Board has responsibility for the strategic risk arrangements and implementation of mitigating actions with oversight by the Audit and Risk Committee on behalf of the Trustees. The Audit and Risk Committee reviews the strategic risks in summary form at each meeting, and at one meeting each year does a full review of all risks and mitigating actions and controls. The Committee also reviews Kew's risk appetite and has agreed the level of risk appetite for all the key risks. Additionally, each year, Internal Audit carries out a review to establish the extent to which a robust risk management approach has been adopted and applied as planned by management across the organisation, and to identify, assess, decide on responses to, and report on the opportunities and threats that affect the achievement of Kew's objectives. Internal Audit have concluded that Kew is risk 'defined' i.e. that risk management strategies and policies are in place and communicated across Kew. However, the organisation does not currently have a formal record of the assurance sources and assurance obtained against key controls which mitigate key risks and, as noted above, continues to roll out operational risk management processes throughout the organisation.

• Financial management and control

The organisation maintains systems of internal financial control which are overseen by the Finance Department and guidance is available to all staff on the intranet. Financial management is supported through monthly management accounts, quarterly

financial reporting to the Executive Board and summary reporting to the Finance Committee and Trustees. In addition, finance is a standing item on the monthly Executive Board meetings. Financial information is available to all budget holders so that they are able to monitor their performance against budgets at any time. The National Audit Office have recommended some improvements to the reporting to Trustees and these will be developed during 2011/12.

• Fraud risk management

Kew maintains a Fraud Management Policy and Response Plan which details how to manage the threat of fraud and corruption, how to respond to fraud and the action to be taken if fraudulent activity is discovered or suspected.

This document is supported by a Whistleblowers Procedure and a Fraud Response Log.

• Strategy and planning

Kew normally has a Business Plan which covers three years but which is updated on an annual basis. The Plan sets out the objectives and key performance measures of the organisation as well as the specific actions that will be taken to achieve them. With the agreement of Defra, Kew is working to develop a better understanding of Kew's position and will use this to inform a 5-year business plan, which seeks to identify whether there are more effective business models better to meet Kew's unique requirements. Consequently Kew has developed a one year only Business Plan for 2011/12.

The Director has led the organisation in further developing Kew's Breathing Planet Programme. Each of the seven strategies of the Breathing Planet Programme has been defined and the primary objectives, key activities and main outcomes for each have been shared with staff, volunteers and Trustees. Business planning and reporting is now being analysed on the basis of the Breathing Planet Programme structure.

• Performance management

The staff performance management process within Kew ensures that the organisation's goals are reflected by individual staff members' objectives and training plans. At the beginning of each year all staff meet with their line manager to agree their work and objectives for the year and identify any training needs, referring to the Business Plan to ensure their plans will contribute to Kew's targets that are relevant to them. In 2010/11 individual staff objectives have been specifically linked to the Breathing Planet Programme and the seven strategies within it. Regular contact between staff and line managers is encouraged throughout the year and a formal review takes place after 6 months as well as at the end of the year.

The Performance Targets and Results for the organisation are reviewed each year to ensure they remain critical and relevant and a substantial review was carried out during 2010/11 to link the targets to the Breathing Planet Programme. The final results against the original targets for 2010/11 are set out in the Management Commentary in the Annual Report and Accounts, along with the new targets going forward.

• Project management

During 2010/11 Kew has progressed two main projects – the construction of a new Quarantine House and ongoing implementation of the IT and Digital Media Strategy, and has also completed the restoration of the Marianne North Gallery. Planning and design work was initiated on a major project for the restoration of the Temperate House to enable a fundraising programme to commence.

A project management system has been developed for Kew, based on best practice principles, and guidance and training will be rolled out to embed this methodology throughout the organisation. It includes the further development of risk registers on projects, enhancing the current practice of risk registers which are maintained for major projects. This methodology is being codified in a project management manual which has been promoted via workshops and will be reinforced via the training programme noted above.

• Information management

Kew takes the management of the information it holds very seriously and is not aware of any personal data related incidents in 2010/11. Kew is participating in the National School of Government Risk and Data Protection Programme to ensure all staff understand why information is so important, the risks to its safety and what can be done by staff to protect it. In the training, examples are used and tested to show where staff might use this training and awareness and how to take responsibility for using information safely. During the year 716 members of staff completed the training. It is being enabled as a mandatory annual activity and incorporated into the staff induction programme.

Kew is also fully supporting the Cabinet Office data handling review which introduces mandatory minimum standards for the protection of personal data, the completion of information risk reviews, the completion of a risk register and submissions to central government.

5. Review of effectiveness

As Accounting Officer, the Director has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within Kew who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.



Marcus Agius
Chairman of the Board of Trustees
22 June 2011

As described above, Kew has a comprehensive Internal Audit function and their work in 2010/11 covered 13 key control audit areas, three advisory reviews and follow ups of previous recommendations. Of their reports, five provided substantial assurance on internal control, six reasonable assurance and there are two reviews where the Board can take limited assurance over control. In all cases responses to their recommendations have been agreed and are being progressed. Substantial assurance was obtained on Commercial Activities and Enterprises, Payroll (Kew), Governance Framework, Estates and Major Works and Corporate Website implementation. Limited assurance was on the following two areas:

- Use of Consultants/Service Providers: Inability to recruit a Procurement manager, in response to Government restrictions on recruitment in the sector, has led to delays in progressing procurement recommendations. Kew is now receiving support from the Defra procurement team and procedures are being revised and updated for implementation in 2011/12.
- Records Management: This area was originally audited in 2008 and further review has shown that progress cannot be made against the recommendations made (both from follow up of original weaknesses and additional review points) without consideration to employing or designating a dedicated Records Manager.

Overall, the Annual Audit Opinion concluded that Kew has a reasonable system of internal control.

During the year an internal investigation was undertaken following an incident within the IT Department. The value of the assets involved was immaterial, but the internal auditors have undertaken a specific review of the area involved and their suggestions for improvements to controls and access have been considered and implemented where appropriate.

A plan to address the weaknesses identified is in place based on the resources currently available. However, as a result of Government imposed constraints on recruitment, management are unable to fully address some of the key weaknesses identified as promptly as they would wish. In the interim and as a result, the Director (CEO & Chief Scientist) and Trustees recognise that a higher level of risk exists in certain respects. The matter is being kept under careful review.

The Director and the Chairman of the Board of Trustees have been advised on the implications of the result of the Director's review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee. Subject to the matter referred to above, a plan to address weaknesses and ensure continuous improvement of the system is in place.



Professor Stephen D. Hopper, FLS
Director (CEO and Chief Scientist)
22 June 2011

Remuneration report

Remuneration Policy

The remuneration of the Director is set by the Remuneration Committee, a sub-committee of the Board of Trustees. The members are identified on page 12.

The salary of the Director (CEO & Chief Scientist) is reviewed on an annual basis and in reaching its recommendations, the Committee has regard to performance, based on objectives set by the Board of Trustees (less than 5%), affordability and government pay policy.

The Remuneration Committee reviews the Director's recommendations on the remuneration packages of Executive Board members and other employees on individual contracts on an annual basis.

Service Contracts

Kew appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

The appointments of Executive Board members are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The notice period in the Director's contract is one year.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the current Kew Executive Board. Angela McFarlane was seconded from the University of Bristol until 31 January 2011. £83,000 was paid for her services in 2010/11 (2009/10 £83,000); this covers 80% of the salary and employer social security and pension costs incurred by the University until September 2010 and 100% to January 2011.

The Remuneration Committee decided that in the current difficult economic and political climate it would not be appropriate to award a non-consolidated performance payment to the Director relating to 2009/10.

Remuneration (audited)		2010/11	2010/11	2009/10	2009/10
		Salary £	Benefits in kind £	Salary £	Benefits in kind £
Stephen Hopper	Director, (CEO and Chief Scientist)	136,192	0	139,116	0
Andrew Burchell	Director, Business & Corporate Services	110,026	0	108,536	0
Mark Chase	Keeper, Jodrell Laboratory	80,718	0	78,240	0
David Mabberley	Keeper, Herbarium, Library, Art & Archives	78,040	0	73,742	0
Angela McFarlane	Director, Public Engagement & Learning	14,833 *	0	0	0
Michael Murphy	Director, Development	105,000 **	0	39,450	0
Monique Simmonds	Director, Kew Innovation Unit	93,437 ***	0	61,910	0
Andrew Jackson †		28,793	0	70,685	0
Eimear Nic Lughadha †		29,421	0	72,223	0
Simon Owens †		25,989	0	63,821	0
Jill Preston ††		70,729	0	100,358	0
Paul Smith †		27,659	0	65,424	0
Nigel Taylor †		30,782	0	75,555	0

No Bonuses were paid in 2010/11.

* Salary for February and March – annual equivalent salary £89,000. Angela McFarlane has been a member of the Executive Board throughout the year – see above for salary information to January 2011.

** The total staff costs for Michael Murphy are recharged to the Kew Foundation.

*** This includes salary corrections relating to prior years.

† The Executive Board was restructured in September 2010 and salary costs for 2010/11 are for the period April to August 2010.

†† Post redundant as part of organisation restructure 31 July 2010.

Pension benefits (audited)	Accrued pension at age 60 as at 31/3/11	Accrued pension at age 60 as at 31/3/11 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/11	CETV at 31/3/10 *	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Stephen Hopper	8	8	2	149	109	28	N/A
Andrew Burchell	48	191	-	990	913	(2)	N/A
Mark Chase	18	71	2	412	383	9	N/A
David Mabberley	5	5	2	96	60	24	N/A
Angela McFarlane	-	-	-	4	-	4	N/A
Michael Murphy	3	3	2	28	7	16	N/A
Monique Simmonds	20	76	1	444	430	3	N/A

* CETV values at 31/3/10 have been changed to reflect the use of the Consumer Price Index instead of the Retail Price Index to calculate future pensions increase.

Salary

'Salary' includes gross salary; performance pay; back pay; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. The post holders are not entitled to overtime.

This report is based on payments made by the Royal Botanic Gardens, Kew and thus are recorded in these accounts in full.

Benefits in kind

The post holders do not receive any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument. Under the terms of his employment contract the Director is entitled to two return air flights to Australia each year. The Trustees do not receive any remuneration for their services to Kew. Note 12 details their expenses.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus) or a 'whole career' scheme (nuvos). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Consumer Prices Index. New entrants after 1 October 2002 may choose between membership of a defined benefit arrangement or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with CPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.



Marcus Agius
Chairman of the Board of Trustees
22 June 2011

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products.

The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website

www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Professor Stephen D. Hopper, FLS
Director (CEO and Chief Scientist)
22 June 2011

Auditor's Certificate and Report

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Royal Botanic Gardens, Kew for the year ended 31 March 2011 under the National Heritage Act 1983. These comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board of Trustees, Accounting Officer and Auditor

As explained more fully in the Statement of Trustees and Accounting Officer's Responsibilities, the Trustees and Director as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit, certify and report on the financial statements in accordance with the National Heritage Act 1983 and directions made thereunder by the Secretary of State for the Environment, Food and Rural Affairs, with the consent of HM Treasury. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 Royal Botanic Gardens, Kew'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, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate and report.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Royal Botanic Gardens, Kew and the group's affairs as at 31 March 2011 and of the incoming resources and application of resources of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the National Heritage Act 1983 and directions issued thereunder by the Secretary of State for the Department for Environment, Food and Rural Affairs, with the consent of the Treasury.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions made thereunder; and
- the information given in the sections of the Annual Report entitled 'Director's review', 'Management commentary' and 'Corporate information' for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157 – 197 Buckingham Palace Road
Victoria
London
SW1W 9SP
27 June 2011

Accounts for the year ended
31 March 2011

Royal Botanic Gardens, Kew statement 1

Consolidated Statement of Financial Activities for the year ended 31 March 2011

	Notes	Unrestricted £'000	Restricted £'000	Endowment Total £'000	2010/11 Total £'000	Restated 2009/10 Total £'000
Incoming resources						
Incoming resources from generated funds						
Grant-in-aid – operating	3	16,720	–	–	16,720	17,650
– capital		7,900	–	–	7,900	10,900
Grants & donations	4	762	8,329	–	9,091	6,629
Activities for generating funds – trading	5	5,372	–	–	5,372	5,362
Investment income	6	59	13	–	72	67
Incoming resources from charitable activities	7	7,952	–	–	7,952	8,350
Total incoming resources		38,765	8,342	–	47,107	48,958
Costs of generating funds – trading	9	(4,187)	–	–	(4,187)	(4,341)
Net incoming resources available for charitable applications		34,578	8,342	–	42,920	44,617
Charitable activities						
Research and conservation	9	26,589	8,350	–	34,939	37,283
Visitor activities	9	7,676	–	–	7,676	8,863
Governance costs	9	166	–	–	166	158
Total charitable costs		34,431	8,350	–	42,781	46,304
Net incoming/(outgoing) resources		147	(8)	–	139	(1,687)
Revaluation of assets		2,384	4	5	2,393	(3,062)
Net movement in reserves		2,531	(4)	5	2,532	(4,749)
Reserves at 1 April		107,443	11,484	168	119,095	123,844
Reserves at 31 March	19	£109,974	£11,480	£173	£121,627	£119,095

All activities arise from continuing operations.

All recognised gains and losses have been included in the Statement of Financial Activities.

The Notes on pages 27 to 35 form part of these accounts.

Royal Botanic Gardens, Kew statement 2

Balance Sheets 31 March 2011

	Notes	Royal Botanic Gardens, Kew		Consolidated	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Fixed assets					
Intangible assets	13	329	593	329	593
Tangible assets	13	4,803	4,407	4,803	4,407
Heritage assets	14	110,540	107,634	110,540	107,634
Investments	15	587	580	262	255
		116,259	113,214	115,934	112,889
Current assets					
Stocks of goods for sale		–	–	547	463
Debtors	17	8,171	4,688	7,709	3,647
Cash at bank and in hand		6,734	7,576	8,108	9,339
		14,905	12,264	16,364	13,449
Creditors: amounts falling due within one year	18	(9,537)	(6,383)	(10,671)	(7,243)
Net current assets		5,368	5,881	5,693	6,206
Total assets less current liabilities		£121,627	£119,095	£121,627	£119,095
Reserves					
Unrestricted	19	109,974	107,443	109,974	107,443
Restricted	19	11,480	11,484	11,480	11,484
Endowment	19	173	168	173	168
		£121,627	£119,095	£121,627	£119,095

The Notes on pages 27 to 35 form part of these accounts.



Marcus Agius
Chairman of the Board of Trustees
22 June 2011



Professor Stephen D. Hopper, FLS
Director (CEO and Chief Scientist)
22 June 2011

Royal Botanic Gardens, Kew statement 3

Consolidated Cash Flow Statement for the year ended 31 March 2011

	2010/11 £'000	Restated 2009/10 £'000
Net cash inflow from operating activities	2,308	5,798
Returns on investments	72	67
Capital expenditure and financial investment	(3,611)	(2,932)
(Decrease)/increase in cash at bank	£(1,231)	£2,933

The Notes on pages 27 to 35 form part of these accounts.

a Reconciliation of net incoming resources to net cash inflow from operating activities

	2010/11 £'000	2009/10 £'000
Net incoming/(outgoing) resources	139	(1,687)
Depreciation	2,971	2,668
(Gain)/loss on sale of tangible fixed assets	(12)	2
Loss on revaluation of fixed assets	–	1,536
(Increase)/decrease in stock	(84)	139
(Increase)/decrease in debtors	(4,062)	3,594
Increase/(decrease) in creditors	3,428	(387)
Less investment income	(72)	(67)
	£2,308	£5,798

b Analysis of cash flows
Capital expenditure and financial investment

Payments to acquire fixed assets	(3,643)	(2,970)
Receipts from sales of fixed assets	32	38
	£(3,611)	£(2,932)

Management of liquid resources

Decrease in short term cash deposits	£–	£–
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c Reconciliation of net cash flow to movement in net funds

	2010/11 £'000	2009/10 £'000
(Decrease)/increase in cash in period	(1,231)	2,933
Cash inflow from decrease in liquid resources	–	–
Movement in net funds in the period	(1,231)	2,933
Net funds at 1 April	9,339	6,406
Net funds at 31 March	8,108	£9,339

d Analysis of net funds

	1 April 2010 £'000	Cash Flow £'000	31 March 2011 £'000
Cash at bank and in hand	9,339	(1,231)	8,108
Liquid resources	–	–	–
Net Funds	£9,339	£(1,231)	£8,108

Notes to the accounts year ended 31 March 2011

1 Form of accounts

As stated in the Statutory Information, these accounts have been prepared in the form directed by the Department for Environment, Food and Rural Affairs. Without limiting the information given, the accounts meet the accounting and disclosure requirements of applicable accounting standards so far as those requirements are appropriate, and comply with the Statement of Recommended Practice, Accounting and Reporting by Charities 2005.

2 Accounting policies

Accounting convention

The accounts are prepared under the modified historical cost convention and fixed assets and investments are shown at their value to the business by reference to current costs.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Royal Botanic Gardens, Kew and its subsidiary RBG Kew Enterprises Limited for the year ended 31 March 2011.

The Foundation and Friends of the Royal Botanic Gardens, Kew and the Bentham-Moxon Trust have not been consolidated as, in the opinion of the Trustees, dominant control is not exercised over these organisations.

Expense allocation

Costs are allocated to Research and Conservation and Visitor Activities in line with the objects of Kew as set out in the Management Commentary (page 11).

Indirect costs have been allocated to the headings in the Statement of Financial Activities on the basis of headcount except for computer costs which have been allocated on the basis of computer numbers. Governance costs include the costs of strategic planning, the Annual Report and Accounts, audit and Trustees' expenses.

Government grants

Grant-in-aid including capital grant is credited to income in the year in which it is received. Grant for the purchase of capital items is transferred to a capital grants reserve from which it is released as the assets are depreciated.

Income from activities and generated funds

Income is accounted for on a receivable basis, net of VAT. Grant income received is deferred where the activity being funded has not taken place by 31 March in any year.

Income is allocated to Restricted income when it is given by the donor or grant maker for specific purposes.

Gifts in kind

Gifts in kind are valued at the estimated value to Kew of the service or goods received, based on the market price of an equivalent service or goods.

Heritage assets

The land and buildings and collections used by Kew are Heritage Assets as defined by Financial Reporting Standard 30, FRS30, and are accounted for in accordance with this as set out below.

Land and buildings

The Board of Trustees does not hold title to the land and buildings used by the Royal Botanic Gardens, Kew except for the Wellcome Trust Millennium Building and the land it is situated on. The remaining land and buildings are owned by the Crown at Kew and by the National Trust at Wakehurst Place. As required by the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) revised in 2005, existing buildings and their associated land used for fundraising or administration purposes plus the Wellcome Trust Millennium Building, were valued and capitalised on the Balance Sheet at 31 March 2001 (see Note 14). Subsequent additions are included initially at cost.

Land and buildings are revalued every 5 years by professionally qualified valuers, on the basis of either open market value for existing use or depreciated replacement cost. The first professional revaluation was carried out during 2001/02 and a new revaluation was carried out in 2006/07. In between professional revaluations, values are updated using indices provided by the professional valuers.

Kew has not capitalised heritage buildings acquired before 2001/02. Under the accounting standard FRS30 this is allowable where it is considered that the cost of obtaining valuations for other existing buildings would be onerous compared to the benefit to the readers of the Accounts. Expenditure on new buildings over £250,000 is capitalised.

Collections

The Board of Trustees have reviewed the costs of valuing the heritage assets by collection including, in particular, the staff time involved and consider that the cost of obtaining valuations for all existing collections would be onerous, because of the time it would take, compared to the benefit to the readers of the Accounts. Therefore no values have been placed on these as allowed by FRS30. New items to the collections costing more than £2,000 are capitalised. Collections are unlikely to depreciate and are expected to have a life in excess of 50 years so no depreciation is provided against them. Impairment reviews of these collections will be undertaken on a five year basis.

Other fixed assets

Other fixed assets are stated at their value to the business by reference to current costs. Historic costs are not disclosed as required by the SORP as, in accordance with Treasury Financial Reporting Manual, in the view of the Accounting Officer and the Board of Trustees, this adds no information of value to the Accounts. Capital items costing less than £2,000 are written off to other direct costs (Note 12) in the year of purchase. All other capital expenditure is capitalised as fixed assets.

2 Accounting policies continued

Depreciation

Depreciation is provided on all fixed assets, except land and collections, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings between 20 and 80 years

Gardens equipment between 5 and 20 years

Scientific equipment:

Laboratory equipment over 10 years

Computer and photographic equipment
between 3 and 10 years

Office equipment over 5 years

Motor vehicles over 5 years

Copyrights year of purchase

Changes to accounting policies

In previous years, a notional average cost of capital employed during the year was shown in the Statement of Financial Activities, as required under the Financial Reporting Manual. As this requirement has been withdrawn, Kew has changed its accounting policy in this respect and has restated the comparative 2009/10 Statement of Financial Activities to reflect this change. The opening position has not been restated as the Balance Sheet remains unaffected by this change.

Pensions

Pension arrangements are described in Note 23 to the accounts. Pension contributions payable by Kew are expensed as incurred.

Investments

Investments are stated at current market value at the balance sheet date. Valuations are kept up-to-date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities only includes unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. As explained in the fixed asset accounting policy note, historical cost disclosures have not been provided.

Stocks

Stocks are valued at the lower of cost and net realisable value which is considered to be equivalent to their value to the business.

Net liquid resources

Liquid resources comprise short term cash deposits.

Reserves

Reserves are analysed under the headings Unrestricted, Restricted and Endowment Funds.

Restricted funds

These are funds which have been given to Kew for specific purposes by donors.

Endowment funds

These are capital funds where Trustees have no power to convert the capital to income. However, the income generated by these funds can be used for the purposes for which the endowment was given.

Accumulated reserves

The Board of Trustees, with the approval of the Secretary of State for Environment, Food and Rural Affairs, may undertake certain activities the proceeds from which, together with donations and funds from other sources, including those profits of RBG Kew Enterprises Limited which have been covenanted to Kew, but excluding Grant-in-aid, are taken to the Accumulated Reserves. These funds may be used at the Board's discretion within the terms of section 24 of the National Heritage Act 1983.

Revaluation reserve

This represents the cumulative difference between historic and current costs of fixed assets.

Taxation

The Royal Botanic Gardens, Kew is an exempt charity as a consequence of Schedule 5 subsection 4 of the National Heritage Act 1983. RBG Kew Enterprises Limited covenants most of its profits to the Royal Botanic Gardens, Kew and consequently only a small amount of taxation may be payable, mainly due to timing differences. The Royal Botanic Gardens, Kew and RBG Kew Enterprises Limited are group registered for VAT purposes and are able to recover part of their input VAT.

3 Grant-in-aid

Grant-in-aid of £24,620,000 was received from Defra in 2010/11 (2009/10 £28,550,000) of which £7,900,000 was for capital (2009/10 £10,900,00).

4 Grants and donations

	Unrestricted £'000	Restricted £'000	2010/11 £'000	2009/10 £'000
Income received from Kew Foundation	530	4,631	5,161	1,877
Millennium Seed Bank Partnership income	–	24	24	153
Other project income	232	3,210	3,442	4,066
EU project income	–	283	283	395
Contribution in kind (i)	–	32	32	–
Grant for maintaining Wakehurst Place	–	83	83	85
Donations	–	66	66	53
	£762	£8,329	£9,091	£6,629

(i) The Contribution in kind in 2010/11 was donated assets to the collections.

5 Activities for generating funds – trading

	2010/11 £'000	2009/10 £'000
Retailing	3,295	3,440
Commercial development (i)	2,077	1,922
	£5,372	£5,362

(i) Commercial development consists of concerts, licensing and venue hire.

6 Investment income

	2010/11 £'000	2009/10 £'000
Interest receivable	60	56
Charities Official Investment Fund	12	11
	£72	£67

All interest receivable is from cash at bank and short term cash deposits.

7 Incoming resources from charitable activities

	2010/11 £'000	2009/10 £'000
Admissions	5,516	5,765
Catering contracts	1,033	1,097
Education charges	236	192
Rents receivable	91	93
Sale of fixed assets	32	38
Other income from third parties (i)	1,044	1,165
	£7,952	£8,350

(i) Other income from third parties consists of supplies made of goods and services from, amongst other things, consultancies, provision of photographs, reproduction fees and identification services.

8 Key performance target – total revenue generated

Kew had a Key Performance Target for Total Revenue Generated in 2010/11 of £52.0m. Actual Revenue Generated, as defined for this target, was £45.5m. The main difference to total incoming resources in Statement 1 is that the net profit of RBG Kew Enterprises is included rather than gross income. The decrease is due to less Grant from Defra than targeted and a challenging year for admissions and other related income.

9 Resources expended

	Staff Costs £'000	Depreci- ation £'000	Other Direct Costs £'000	Allocated Support Costs £'000	2010/11 Total £'000	2009/10 Total £'000
Trading costs	1,527	19	2,641	–	4,187	4,341
Research and conservation	15,593	2,238	4,854	12,254	34,939	37,283
Visitor activities	2,752	714	2,540	1,670	7,676	8,863
Governance costs	62	–	104	–	166	158
Support costs	5,781	–	8,143	(13,924)	–	–
	£25,715	£2,971	£18,282	£–	£46,968	£50,645

Note **11** **13/14** **12** **10**

10 Support costs

	Staff Costs £'000	Other Direct Costs £'000	Total 2010/11 £'000	Total 2009/10 £'000
Estates		1,069	5,571	6,640
IT		2,104	1,783	3,887
HR		576	277	853
Directorate		771	146	917
Finance		593	73	666
Other support		668	293	961
		£5,781	£8,143	£13,924
			£13,117	£13,117

11 Trustees' remuneration and staff costs

a Trustees' remuneration

Trustees do not receive any remuneration for their services. Travelling and subsistence expenses of 2 Trustees (2009/10 2) have been charged at cost as part of other direct costs – Note 12.

b Employees with earnings above £60,000

Number of employees at:	2010/11	2009/10
£60,000 – 69,999	6	5
£70,000 – 79,999	6	7
£80,000 – 89,999	1	–
£90,000 – 99,999	2	–
£100,000 – 109,999	1	2
£110,000 – 119,999	1	–
£130,000 – 139,999	1	1

c Staff salaries and social security, including the Director

	2010/11 £'000	2009/10 £'000
Salaries	21,217	21,022
Social security costs	1,462	1,468
	22,679	22,490
Staff pensions – Note 23	3,036	3,175
	£25,715	£25,665

d The average monthly number of employees during the year, full-time equivalents, analysed by function

	2010/11	2009/10
Botanical science	249	255
Horticulture	202	209
Visitor services and marketing	88	84
Information services	56	56
Support services and estates management	84	77
Directorate	11	13
RBG Kew Enterprises Ltd	54	60
	744	754

12 Other direct costs

	2010/11 £'000	2009/10 £'000
Cost of sales	1,770	1,862
Materials	3,141	3,925
Direct project costs	789	1,647
Repairs and maintenance	3,877	4,224
Minor new building works	702	949
Hire charges	247	259
Rates and utilities	1,645	1,595
Trustees' travel and subsistence	2	2
Staff travel and subsistence	497	523
General services	3,492	3,331
Movement in bad debt provision	193	31
Audit fees	34	34
Professional fees and consultancy	1,893	2,394
Revaluations	–	1,536
	£18,282	£22,312

Unrecovered VAT for the year of £365,000 has been charged against these accounts (2009/10 £449,000). £34,000 (2009/10 £34,500) was paid to the external auditors for audit fees. No other fees were paid to the external auditors.

13 Intangible and tangible assets Royal Botanic Gardens, Kew and Consolidated

	Software	Total Intangible Assets	Gardens Equipment	IT Equipment	Other Equipment	Motor Vehicles	Total Tangible Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation							
At 1 April 2010	926	926	3,681	1,351	6,481	627	12,140
Additions	–	–	301	639	99	9	1,048
Disposals	–	–	(154)	(5)	(44)	(2)	(205)
Revaluation	–	–	248	130	374	50	802
At 31 March 2011	926	926	4,076	2,115	6,910	684	13,785
Depreciation							
At 1 April 2010	333	333	1,881	927	4,478	447	7,733
Charge for the year	264	264	281	253	432	74	1,040
Disposals	–	–	(136)	(4)	(43)	(2)	(185)
Revaluation	–	–	102	124	219	(51)	394
At 31 March 2011	597	597	2,128	1,300	5,086	468	8,982
Net book value							
At 31 March 2011	£329	£329	£1,948	£815	£1,824	£216	£4,803
At 31 March 2010	£593	£593	£1,800	£424	£2,003	£180	£4,407

Fixed assets with a net book value of £20k were disposed of during the year for £32k.

14 Heritage assets

	Land	Dwellings	Buildings	Assets under construction	Collections	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Valuation						
At 1 April 2010	26,310	12,332	83,765	338	31	122,776
Additions	–	–	53	2,505	37	2,595
Disposals	–	–	–	–	–	–
Revaluation	454	71	1,832	–	–	2,357
At 31 March 2011	26,764	12,403	85,650	2,843	68	127,728

Depreciation

At 1 April 2010	–	2,896	12,246	–	–	15,142
Charge for the year	–	206	1,461	–	–	1,667
Disposals	–	–	–	–	–	–
Revaluation	–	16	363	–	–	379
At 31 March 2011	–	3,118	14,070	–	–	17,188

Net book value

At 31 March 2011	£26,764	£9,285	£71,580	£2,843	£68	£110,540
At 31 March 2010	£26,310	£9,436	£71,519	£338	£31	£107,634

The valuations of the land and buildings were carried out by Powis Hughes & Associates, Chartered Surveyors, and Fanshawe, Chartered Quantity Surveyors. The valuations were made on an existing use basis at 31 March 2007 and were prepared in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The land was valued at £28,770,000 and the buildings at £63,145,000.

As explained in Note 2 existing buildings at 31 March 2001 that are not used for fundraising or administration purposes have not been capitalised and Kew's collections have not been capitalised, as allowed by FRS30.

The Kew site of 132 hectares is a Grade I historic landscape and a World Heritage Site. The Wakehurst Place site of 202 hectares is in an Area of Outstanding Natural Beauty. Kew manages over 280 buildings on the Kew and Wakehurst Place sites. Five of these are Grade I listed – the Orangery, Pagoda, Palm House, Temperate House and Wakehurst Place Mansion – and there are 37 Grade II listed buildings. The age of the buildings is extensive, stretching from the 19th century through to the 21st century. Unfortunately there is a large backlog maintenance issue on many of the buildings which is proving challenging to address and, for instance, a major fundraising effort is required to restore the Temperate House. This has commenced and the Heritage Lottery Fund has provided development funding to help progress plans. Funds available for maintenance are prioritised by the Estates team to the most urgent needs.

All new land and buildings above the capitalisation threshold have been included in the balance sheet since April 2001 and transactions over the last 5 years are summarised below. There have been no disposals of land or buildings by Kew.

	2006/07	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000	£'000
Valuation					
At 1 April	102,433	109,558	126,132	127,032	122,745
Additions funded by Government Grants	3,852	5,758	11,859	1,035	2,505
Additions funded by other grants and donations	500	5,922	–	526	53
Revaluations	2,773	4,894	(10,959)	(5,848)	2,357
At 31 March	109,558	126,132	£127,032	£122,745	£127,660

Kew manages its collections as national reference collections as required by the National Heritage Act 1984. There are 19 separate collections recognised, but they combine into six main areas as follows:

1. Herbarium collections: these consist of herbarium specimens (dried pressed specimens), spirit preserved specimens and mycological specimens.
2. Economic Botany collections: items and artefacts that demonstrate the use of plants.
3. Library, Art and Archives collections: these include books, monographs, prints and drawings, handwritten material and photographs relating to the history of Kew.
4. Living collections: all plants cultivated at Kew and Wakehurst Place.

14 Heritage assets continued

5. Seed collections: all the living seeds collected as part of the project and stored in the Millennium Seed Bank building at Wakehurst Place, and the preserved seeds collections.
6. Microscope Slides collections: these relate to plant anatomy, palynology, cytogenetics and mycology.

There is extensive information about Kew's collections available on the internet at www.kew.org/collections and a brief summary for each of the main areas follows:

The Herbarium collections total approximately 8.3 million specimens. They are actively managed by the scientists at Kew and are added to each year from collecting expeditions by Kew staff and other institutions. Kew is progressing a programme to digitise the herbarium specimens so that they can be made available to researchers worldwide over the internet negating the need to visit Kew or for specimens to be sent out on loan. Full details of 463,000 specimens are available to the public at <http://apps.kew.org/herbcat/navigator.do>

The Economic Botany collections are fully catalogued and consist of approximately 86,000 items added to annually with items from all around the world. All the collections are available for inspection by bona-fide researchers and there is also a permanent display of items for the general public in Museum No.1 in the Gardens.

The Library, Art and Archives collections consist of over 8 million items, of which 7 million are archive sheets, and together they represent one of the most important botanical reference sources in the world. Kew is developing full catalogues of the main items and information about these collections can be found at www.kew.org/library The Library is open to bona-fide researchers and a new reading room is now available for their use. Parts of the art collection are on show to the public in changing displays in the Shirley Sherwood Gallery and the permanent display in the recently restored Marianne North Gallery.

The Living collections are fully catalogued and managed by the horticulturists at Kew and Wakehurst. They provide a reference source for all botanical and horticultural science within Kew and are probably the largest and most diverse collections in the world with approximately 69,000 accessions representing 28,000 taxa. They also provide the magnificent displays for the public at Kew and Wakehurst Place.

Kew's Millennium Seed Bank at Wakehurst Place is the result of one of Kew's most successful projects and holds Kew's Seed collection of approximately 57,000 samples representing 342 families and 30,000 species, made up of 1.6 billion seeds. This ongoing project works with partners all over the world collecting seeds for storage at Wakehurst and in the country of origin. The Millennium Seed Bank Building itself is open to the public so they can learn about seed banking and see the scientists at work.

The Microscope Slide collections total about 200,000 items and continue to be prepared by Kew's scientists as part of their research leading to publications such as the *Anatomy of Monocotyledons*. Databasing of these collections is in progress so information about them is more easily available.

All of Kew's collections are actively managed and used for research purposes. Additions in the last two years are as follows:

	2010/11	2009/10
Herbarium collections	34,108	34,154
Economic Botany collections	413	101
Library, Art and Archives collections	12,430	14,845
Living collections	2,140	2,555
Seed collections	3,109	6,516
Microscope Slides collections	4,900	10,500

The majority of Kew's collections are held indefinitely and cared for to maintain their quality and to make them available for research and to the public as appropriate. The disposal policies for the main areas of the collections are as follows:

Herbarium collections – no disposal policies are in place and once added to the collections they are retained indefinitely.

Economic botany collections – no disposal policies are in place and once added to the collections they are retained indefinitely.

Library, Art and Archives collections – as the National Reference Collection for botanical literature all printed items acquired by the Library in line with its Collection Development Policy, once accessioned into the collection, are generally retained indefinitely. The only exceptions to this are annual and other reference works which are regularly superseded by new editions and works purchased for operational matters outside of the core collection area. These works are de-accessioned once their information value has expired. They are offered to dealers but items in this category rarely have any resale value and are sent for re-cycling. If an item falling outside of this situation, i.e. a valuable item, is considered for disposal the MLA guidelines on disposal would be followed. Items accessioned into the Art and Archive collections are original and generally unique and disposal would be exceptional. The MLA guidelines on disposal would be followed.

Living collections – the disposal procedures detail the factors to consider before Kew disposes of accessioned material. The reasons why Kew might deaccession specimens are explained and there is a checklist of factors to consider before this final step is taken. These include checking the conservation rating of the plant and if it is in cultivation in a minimum number of other Botanic Gardens. Where Kew knows of other gardens with active research programmes into a family or genus then relevant material is shared with them where possible. It is also ensured that Kew has DNA and herbarium specimens, where appropriate, and seed banked if at all possible.

Seed collections – every collection that arrives at the bank is accessioned. During processing, germination testing and monitoring over time decisions are made whether or not to keep the collection. This decision will depend on the physical quality of the seeds (full, empty, infested etc.), the viability based on germination and cut testing and, occasionally, on seed number. Disposal will only be carried out if the collection is very poor and/or not especially threatened or rare and whether the species is duplicated in the collections. A decision would then be made whether or not to keep, dispose or attempt to regenerate.

Microscopes slides – no disposal policies are in place and once added to the collections they are retained indefinitely.

15 Investments

	Royal Botanic Gardens, Kew		Consolidated	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Valuation				
At 1 April	580	527	255	202
Revaluation	7	53	7	53
At 31 March	£587	£580	£262	£255

Investments at 31 March are analysed as follows:

	Royal Botanic Gardens, Kew		Consolidated	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
RBG Kew Enterprises Limited	325	325	-	-
Charities Official Investment Fund	262	255	262	255
	£587	£580	£262	£255

Kew has a small level of funds which are invested in the Charities Official Investment Fund. The Trustees consider this gives an adequate balance between risk and reward for the amounts involved.

16 Trading subsidiary**The subsidiary undertaking is as follows:**

Name RBG Kew Enterprises Limited

Registered in England & Wales Company Number 2798886

Registered address Royal Botanic Gardens, Kew,
Richmond, Surrey, TW9 3AB

Activity Retailing and commercial development

Proportion of shares held Ordinary shares 100%
Redeemable shares 100%

A summary of the results of the subsidiary is shown below.

All values are at historic costs.

	2010/11	2009/10
	£'000	£'000
Turnover	5,049	5,140
Cost of sales	(1,871)	(1,995)
Gross profit	3,178	3,145
Net other expenses	(2,416)	(2,296)
Interest receivable	5	5
Net profit	767	854
Gift Aid paid to Kew	(767)	(854)
Profit for year	£ -	£ -

	2011	2010
	£'000	£'000
Balance sheet		
Current assets	2,294	2,483
Current liabilities	(1,969)	(2,158)
	£325	£325
Share capital and reserves	£325	£325

17 Debtors

	Royal Botanic Gardens, Kew		Consolidated	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade debtors	1,514	1,380	1,755	1,520
Prepayments and accrued income	1,031	929	1,163	1,046
Owed by subsidiary	835	1,298	-	-
Owed by the Foundation	4,424	531	4,424	531
Owed by Central Government Departments	26	79	26	79
Travel advances to staff	25	15	25	15
Staff loans	14	13	14	13
Value added tax	302	443	302	443
Total debtors	£8,171	£4,688	£7,709	£3,647

18 Creditors: Amounts falling due within one year

	Royal Botanic Gardens, Kew		Consolidated	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade creditors	244	232	269	240
Accruals	3,585	3,554	3,743	3,726
Provisions	86	195	86	195
Other	5,622	2,402	6,573	3,082
Total creditors	£9,537	£6,383	£10,671	£7,243

Provisions are for early retirement costs and outstanding small claims against the organisation.

Other creditors includes £1,663,000 of deferred income (2009/10 £1,474,000) in respect of project funds received by Kew which it is not yet entitled to claim as income, and £3,000,000 Grant-in-aid from Defra for 2011/12.

19 Statement of reserves Royal Botanic Gardens, Kew and Consolidated

	At 1 April 2010 £'000	Income £'000	Expenditure £'000	Revaluation £'000	At 31 March 2011 £'000
Unrestricted					
Government Capital Grants	39,739	3,503	(1,781)	–	41,461
Capital Revaluation Reserve	61,756	–	(1,009)	2,384	63,131
General	5,948	35,262	(35,828)	–	5,382
Total Unrestricted	107,443	38,765	(38,618)	2,384	109,974
Restricted					
Capital Grants	11,137	140	(200)	–	11,077
Capital Revaluation Reserve	2	–	–	1	3
Donations	345	79	(27)	3	400
Projects	–	8,123	(8,123)	–	–
Total Restricted	11,484	8,342	(8,350)	4	11,480
Endowment					
Scott-Marshall	165	–	–	5	170
Robin Spare Book Fund	3	–	–	–	3
Total Endowment	168	–	–	5	173
Total Reserves	£119,095	£47,107	£(46,968)	£2,393	£121,627

The Capital Grants fund represents monies given by third parties for specific projects which are used to purchase fixed assets. It is released as the assets are depreciated or are disposed of.

The Donations fund represents money given mainly by members of the public for specific purposes ranging from the purchase of books for the Library to money to support different parts of the gardens. There are 8 different accounts within Donations.

Projects are where RBG Kew receives money from third parties to fund various activities such as specific areas of research, developments in the gardens, restoration of buildings

etc., much of this money coming via the Foundation. There were over 70 such projects this year.

The income from the Scott-Marshall endowment is to be used to provide travel scholarships for horticultural staff at Kew.

The income from the Robin Spare Book Fund is to be used to purchase books for the School of Horticulture library at Kew.

20 Analysis of net assets between reserves

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Reserves balances at 31 March are represented by:				
Fixed assets	104,592	11,080	–	115,672
Investments	–	89	173	262
Current assets	11,481	4,883	–	16,364
Creditors	(6,099)	(4,572)	–	(10,671)
	£109,974	£11,480	£173	£121,627

21 Analysis of reserves

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Capital Grants				
– Government	41,461	–	–	41,461
– Other capital grants	–	11,077	–	11,077
Accumulated Reserves	5,382	376	110	5,868
Revaluation Reserve	63,131	27	63	63,221
	£109,974	£11,480	£173	£121,627

The Accumulated Reserves are for use at the Trustees' discretion and the main priority is support for the capital programme.

22 Capital grants

	Other Grants £'000	Government Grants £'000	Total £'000
Historic net book value of fixed assets at 1 April 2010	11,137	39,739	50,876
Acquired during the year with Grant-in-aid	–	3,503	3,503
Acquired during the year with capital grants	140	–	140
	11,277	43,242	54,519
Less historic depreciation – Tangible assets	(200)	(1,773)	(1,973)
Release on assets disposed of during the year	–	(8)	(8)
Historic net book value of fixed assets at 31 March 2011	£11,077	£41,461	£52,538

23 Pension commitment

The staff of the Royal Botanic Gardens, Kew are employed by the Trustees and they are eligible to be members of the Principal Civil Service Pension Scheme, PCSPS. This is an unfunded multi-employer defined benefits scheme to which the conditions of the Superannuation Acts 1965 and 1972 and subsequent amendments apply.

Kew's contributions to the PCSPS are affected by a surplus or deficit in the scheme but as it is a multi-employer scheme Kew is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. A full actuarial valuation was carried out by the Scheme Actuary, Hewitt Bacon Woodrow, in March 2007 and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk). For 2010/11 contributions of £2,959,000 (2009/10 £2,899,000) were paid to the Paymaster General at rates which ranged from 16.7% to 24.3% depending on salary. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation.

RBG Kew Enterprises operates a Group Personal Pension Plan for its employees, which is a defined contribution scheme. It made pension contributions of £77,000 (2009/10 £81,000) to this scheme during the year. 48 staff were members of the defined contribution scheme at 31 March 2011 and the remaining staff were members of the PCSPS.

24 Commitments

There were no major capital commitments at 31 March 2011.

25 Contingent liabilities

There were no contingent liabilities at 31 March 2011.

26 Related party transactions

Kew has dealings with the Department for Environment, Food and Rural Affairs and its sponsored bodies, and other Government Departments and their sponsored bodies.

As stated in the Statutory Information the purpose of the Foundation and Friends of the Royal Botanic Gardens, Kew is to provide support for Kew and, as shown in Note 4, £5.2m was received in 2010/11 (2009/10 £1.9m). Kew provides services and facilities to the Foundation and Friends which are made on an arms length basis. The Foundation and Friends runs a membership scheme and Kew allows its members free access to Kew Gardens and Wakehurst Place. Further information about the Foundation and Friends can be found on page 12. Marcus Agius, Henry Keswick and George Loudon were Trustees of the Foundation and Friends throughout the year. Stephen Hopper is also Chief Executive of the Foundation and Friends.

The Bentham-Moxon Trust is a separate registered charity (registration no. 305966) which provides financial support for botanical collections and research and publications that further the work of Kew. Steve Hopper and two other members of Kew staff are Trustees along with three external Trustees. The Trust makes annual grants, some of which are made to Kew and some to non-related parties and organisations.

Enquiries about the Trustees' Register of Interests should be sent to the Head of Legal, Royal Botanic Gardens, Kew, Richmond, Surrey, TW9 3AB.

27 Financial instruments

FRS 29 – Financial Instruments: Disclosures, is applicable and requires disclosure of the role financial instruments have had during the period in creating and changing the risks an entity faces in undertaking its activities. As the cash requirements of Kew are met largely through Grant-in-aid received from Defra, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with Kew's expected purchase and usage requirements and Kew is therefore exposed to little credit, liquidity or market risk. However, the following points should be noted.

- Kew is exposed to credit risk of £1.5m of trade debtors – however this risk is not considered significant as major customers are familiar to Kew.
- Kew has recovered 98% of trade debtors over the last years.
- Cash is held by Kew's bankers and Kew has not suffered any loss in relation to cash held by bankers.
- Kew cash deposits have floating interest rates. Were LIBOR to decrease by 1%, interest income would decrease by approximately £60k.
- The movement on the investment funds has been allocated to the Restricted and Endowment Reserves.

28 Post balance sheet events

These financial statements were authorised by the Accounting Officer for issue on the same date as they were certified by the Comptroller and Auditor General.

Royal Botanic Gardens, Kew Five year financial summary

Summary Statement of Financial Activities

	2006/07 £'000	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000
Incoming resources					
Grant-in-aid	25,200	25,204	26,600	28,550	24,620
Grants and donations	8,666	16,389	14,566	6,629	9,091
Income from activities	12,423	13,785	13,463	13,712	13,324
Investment income	549	582	415	67	72
Total incoming resources	46,838	55,960	55,044	48,958	47,107
Resources expended					
Charitable expenditure	41,571	41,686	43,577	46,304	42,781
Cost of generating funds	3,810	4,064	4,230	4,341	4,187
Total resources expended	45,381	45,750	47,807	50,645	46,968
Net incoming resources	1,457	10,210	7,237	(1,687)	139
Revaluation of fixed assets	3,778	4,472	(9,019)	(3,062)	2,393
Net movement in reserves	5,235	14,682	(1,782)	(4,749)	2,532
Reserves at 1 April	105,709	110,944	125,626	123,844	119,095
Reserves at 31 March	£110,944	£125,626	£123,844	£119,095	£121,627

Summary Balance Sheet

	2007 £'000	2008 £'000	2009 £'000	2010 £'000	2011 £'000
Fixed assets	102,069	116,356	117,225	112,889	115,934
Current assets	14,824	14,907	14,249	13,449	16,364
Creditors	(5,949)	(5,637)	(7,630)	(7,243)	(10,671)
Total assets less current liabilities	£110,944	£125,626	£123,844	£119,095	£121,627
Unrestricted	107,661	116,515	112,639	107,443	109,974
Restricted	3,084	8,928	11,071	11,484	11,480
Endowment	199	183	134	168	173
Total reserves	£110,944	£125,626	£123,844	£119,095	£121,627

Corporate information

Health and safety statement

The Royal Botanic Gardens, Kew recognises the importance of managing Health and Safety (H&S) risks – both on its sites at Kew Gardens and Wakehurst Place and as part of the work carried out by its employees wherever that may be.

In order to drive ongoing improvements in standards and the adoption of best practice, the H&S team are continuing to work on an Improvement Programme with an agenda to take H&S towards best practice in all that it does. As part of the Improvement Programme an H&S Steering Group (H&SSG) has been set up, chaired by the Director (CEO and Chief Scientist) to manage the strategy of the Improvement Programme. The H&SSG currently meets every two months.

Kew has a current and up to date H&S Statement of H&S Intent, which is available on the intranet. A copy of the policy is included in the induction pack for all new starters issued by the Human Resources Department and a copy can be found on each departmental notice board. The statement makes clear the commitment of the Trustees, as the employers, to ensure a safe workplace for their employees and visitors, and any other person who may be affected by their undertaking.

All other H&S policies and procedures are available to staff on the intranet, and as part of the Improvement Programme, are in the process of being revised and updated. A number of new policies are also being produced. Responsibility for the day to day activity rests with the Director (CEO and Chief Scientist), the Executive Directors and the Heads of Department.

The external baseline audit, carried out by Sypol Ltd for the whole organisation, is now complete. The results from the audit produced three items for each of the ten identified departments; the audit itself, a departmental H&S action plan and a departmental H&S risk register. The documents have been through a thorough consultation process and are being issued as working documents. An organisation wide H&S risk register has been produced and will be used as a working tool to monitor progress and success against the Improvement Programme. A set of Corporate H&S Objectives has also been produced and are being used by the Director (CEO and Chief Scientist) as the basis of his annual reviews with the Executive Directors and Heads of Departments.

Activities identified as involving the most significant risks to staff include working at height (notably in arboriculture, work on fragile roofs and working from scaffolds and ladders), manual handling, slips, trips and falls, use of field machinery and equipment, use and storage of chemicals and field work in remote places. All of these activities are currently under review as part of the Improvement Programme.

The visitors to Kew most likely to have an accident are children under the age of 10, playing in the popular Climbers and Creepers play area and the Treetop Towers play area. The design and management of the area is set up to reduce risk and the majority of incidents are minor bumps. We continue to be mindful of visitors who may be senior in years and those with disabilities so that we also match our procedures and risk mitigation techniques to their needs and safety requirements.

Staff receive health and safety training when appointed, but the induction process is under review to ensure consistency across site. Specialist training is provided for first aiders, fire

wardens and other key competencies. These courses are arranged centrally by the H&S team.

Kew's Health and Safety Committee meets twice a year and is the forum where the Safety Representatives of the three recognised Trade Unions and the Director (CEO and Chief Scientist) can openly discuss issues or concerns. A representative from the Departmental Health and Safety Co-ordinators also attends these meetings. The Trade Union Safety Representatives (TUSRs) have the opportunity to raise issues with the Director (CEO and Chief Scientist) at other times without undue restriction or delay. The TUSRs are consulted on all new policies and procedures. The TUSRs have access to information about accidents so they can carry out their own investigations.

In the reporting year April 2010 to March 2011, there were 5 RIDDOR reportable incidents at Kew, 4 involving staff and 1 involving a contractor. At Wakehurst Place there have been 2 RIDDOR reportable incidents, both involving members of the public.

No enforcement notices have been served on Kew, nor were there any convictions for H&S offences.

Customer care statement

As public servants we have a duty to serve the public well and as a leading visitor attraction with two important sites at Kew Gardens and Wakehurst, we must also meet the need of an increasingly competitive and demanding leisure market. We monitor customer needs and feedback in a number of different ways and set standards for the most critical aspects of our front of house operation from the maintenance of our gardens to the standards of our toilets. We track customer feedback in a number of ways:

- Via a customer comment form which is available at all gates and the visitor information desk and a specific catering feedback form available in the catering outlets.
- Via a survey form which is part of the map given to every visitor.
- Via our information email address which invites comments or via our web site by responding to comments or posts.
- Through formal tracking using an external market research company who track key aspects of our visitor experience every 6 months.
- Through participating in an annual benchmarking survey where aspects of our service are tracked against other competitors.

In the latest independent market research key performance measures showed that when benchmarked against other attractions 98% of people rated their experience excellent or good value for money. 98% of people also rated their experience as excellent or good for enjoyment overall. We have seen a small fall in those people who are likely to definitely recommend which is down to only 75% of people who would definitely recommend. This is something we need to monitor over the coming summer period and take remedial action if necessary.

We continue to incorporate this tracking into our internal feedback and training with a view to continuing to raise our customer care standards.

Corporate information continued

Diversity and equality statement

Kew has a duty to nurture equality and diversity for all. To meet this goal Kew has concentrated on promoting disability and equality awareness across the organisation and has continued to progress the commitments made in the action plan adopted in March 2009. Kew's priorities for the year ahead will focus attention on race and gender equality schemes.

The implementation and development of the three year scheme is led by the Diversity and Equality Group, chaired by Andy Burchell, Director, Business and Corporate Services, with 25 members drawn from Departments across the organisation.

Legal compliance and good practice

One requirement of the Diversity and Equality duty is to actively involve disabled people in the implementation of the scheme.

In 2010 a permanent external Access Forum was developed for Kew, which has advised on and monitored a range of access issues at Kew. The team have recently been reviewing Kew's events and festival programme along with the Marketing team at Kew, and have made a number of recommendations. The Forum has also been working with Kew's Diversity Equality Group to comment on the implementation of any recommendations within the main Kew-wide Access Audit report.

The Estates Department commissioned an independent access audit of Kew and Wakehurst Place to ensure legal compliance and best practice. The recommendations of the report were accepted in full, and opportunities for improvements will be included in future cyclical maintenance programmes.

Training and culture change

A commitment to diversity and equality brings with it a need for appropriate training and culture change.

During 2010, the roll-out of Diversity Equality awareness training for Kew's current horticultural staff, students and volunteers was completed at Kew and Wakehurst Place. The training is now embedded in Kew's induction programme for new staff and students, ensuring that we maintain good practice. Kew is also exploring the rollout of more in-depth Diversity Equality awareness training for specific staff and volunteer groups. Kew Guides received specialist training in 'audio-description' to better facilitate visits from those with visual impairment.

Other Activity

The Discovery programme, for people with sensory or mobility impairments, provided 103 guided bus tours allowing access to Kew for around 1,170 people, and 9 sensory walking tours for 22 people. The tours included stops at galleries and special events and exhibitions as required.

The Kew Explorer land train service has been improved during 2010 to ensure a safe and enjoyable tour for all passengers, including mobility impaired and wheelchair-users. A dedicated early morning tour continues to be offered to an increasing number of local community groups at a reduced price.

Kew has been awarded the Disability Two Ticks Accreditation and has agreed to apply the 5 commitments which demonstrate we are 'Positive About Disabled People'. The commitments include recruitment, development, retention, disability awareness and future plans. Work is on-going to embed this into the organisation and the accreditation will be reviewed annually.

Accessibility is at the heart of all Kew website developments. This year new website functionality will be developed according to web content accessibility guidelines, designed to make content accessible to a wider range of people with disabilities. There will also be mobile services that showcase the breadth of plant knowledge and scientific work and allow visitors to stay in touch with Kew. All digital interpretation will adhere to Kew's accessibility guidelines for this type of interpretation.



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ISBN 978-0-10-297299-3



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