

Kew

Royal Botanic Gardens

Annual Report and Accounts

for the year ended 31 March 2020



Royal Botanic Gardens, Kew

Annual Report and Accounts for the year ended 31 March 2020

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Contents

4	Foreword	17	Governance and internal control issues
5	Management commentary	18	Sustainability report
5	Highlights and challenges	22	Statement of Trustees and Accounting Officer responsibilities
7	Measuring success	22	Statutory information
8	Notes on performance	25	Remuneration report
9	Customer care statement	29	Auditor's certificate and report
9	Health and safety statement	31	Consolidated statement of financial activities
9	Diversity, Inclusion and Equality statement	32	Balance sheets
9	Diversity and Equality – visitors	33	Consolidated cash flow statement
10	Outreach programme	34	Notes to the accounts
10	Volunteering statement	48	Annex RBG Kew five-year financial summary
10	Third party engagement		
10	Safeguarding		
11	Fundraising approach		
12	Governance statement		
12	Governance arrangements		
14	Board and Committee attendance		

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Management commentary

Unlocking why plants and fungi matter

The National Heritage Act 1983 (“the Act”) sets out the statutory functions and powers of RBG Kew. The General Functions of RBG Kew (s.24 of the Act) 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 are for the time being in fact concerned.
- Provide other services (including quarantine) in relation to plants.
- Care for their collections of plants, preserved plant material other objects relating to plants, books and records.
- Keep the collections as national reference collections, secure 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.
- 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.

Our mission is ‘to be the global resource for plant and fungal knowledge, building an understanding of the world’s plants and fungi upon which all our lives depend’.

Highlights and challenges

The impact of the **COVID-19 pandemic** and our response to the unprecedented, rapidly evolving circumstances and the effects on RBG Kew have posed a significant challenge. The Executive Board oversees RBG Kew’s response, supported by senior managers and the Incident Management Team.

The following priorities were identified:

- the safety and wellbeing of our people (staff, volunteers, students, visitors and contractors)
- caring for our collections
- ensuring our sites and buildings are safe
- securing and managing our finances

RBG Kew has been working hard to ensure our people are safe, including undertaking a COVID-secure risk assessment in line with government guidance. We have continued to care for our collections and estates, with social distancing measures in place.

We face significant financial challenges in the wake of COVID-19. Following the closure of the gardens on 22 March 2020, we lost all our visitor-related income. We introduced immediate cost-saving measures, applied for the government’s Coronavirus Job Retention Scheme for circa 60% of our staff and postponed planned investments. We anticipate utilising our unrestricted reserves to help fill the gap and are in discussion with Defra about potential further measures to help us through difficult and unprecedented circumstances. The financial impact on these 2019–20 accounts is not material and will primarily be felt in 2020–21.

While the gardens have been closed, we made plans to step up our **digital engagement** to reach virtual audiences, including films, images, articles and online learning resources. We will continue to build on this in 2020–21.

Despite the significant challenges posed by the COVID-19 pandemic since March, the impact of which will primarily be felt in 2020–21, we had a very successful 2019–20.

Chihuly: Reflections on Nature (April – October 2019) was a highlight of the visitor programme at Kew Gardens, contributing to exceptional visitor numbers and increased membership sales. The exhibition was a significant undertaking, five years in planning, but was a very worthwhile investment.

The **Pavilion restaurant** and the **Children’s Garden** opened in May 2019 at Kew Gardens. The Children’s Garden has proved extremely popular. In response to demand, ticketed 90-minute timeslots for access to the Children’s Garden were implemented and the experience highlighted the importance of improved planning for capacity management. The new Pavilion restaurant has rapidly become established as a favourite catering venue for visitors.

Kew Gardens welcomed the highest number of annual visitors on record in over a century, peaking in August 2019. The high number of visitors put pressure on facilities and managing capacity proved challenging. Plans are in place to improve visitor infrastructure to ensure we continue to offer the highest standard in visitor experience at times of peak visitor numbers.

Kew Science greatly advanced understanding in many areas, including in the spheres of ecosystem services, tree health and the importance of preserved specimens in yielding genomic data to help enable us to assemble a tree of life, whilst maintaining strengths in fundamental identification and naming of plants and fungi. Our Natural Capital research made breakthroughs in bee health and knock-on effects on pollination services. Our Plant Health research unveiled the genomic basis of European ash tree resistance to the ash dieback fungus, which is posing a widespread threat to woodlands internationally. This knowledge presented a vital gateway to inform the management of the disease and restoration of woodlands.

Funding raised from external sources for **Kew’s global scientific activities** amounted to more than £12m (£5.2m in statutory funding and £6.9m via Kew Foundation). These funds included £2.6m to further our threatened biodiversity hotspots programme, and £3m to continue the Global Tree Seed Project through the Millennium Seed Bank Partnership. This has been a positive upward trajectory which is helping to create even greater impact from Kew’s science, working in close collaboration with partner organisations and communities.

2019 was a successful year for the **Commercial Phytochemistry Unit (CPU)**, established in 2018 to carry out commercially funded science research and development and authentication work, including a successful partnership with Procter & Gamble. In May 2019 Herbal Essences bio:renew went on sale in the UK. RBG Kew used its knowledge and expertise to identify and authenticate key botanical ingredients in the new range.

Maintaining our heritage estates at both Kew Gardens and Wakehurst continues to pose challenges. Progress has been made on developing a forward maintenance plan to proactively improve the overall estate in the future. The facilities management function at Kew Gardens and Wakehurst was moved in-house successfully in 2019. We have also made progress on our new World Heritage Site Management Plan for Kew Gardens which was published in April 2020.

We have progressed planning for the **digitisation** of our unique and diverse collections, primarily eight million herbarium and fungarium specimens, to enable broader access and use for research purposes by scientists across the world, and to integrate the existing collections management systems to ensure future sustainability, facilitate regulatory compliance and increase access. Digitisation of our collections is our number one priority for capital investment, in line with the recommendations from the Quality and Impact Review of Kew Science, and we are working to secure funding for this critical project.

Good financial planning, solid fundraising and strong commercial performance, delivered through record visitor numbers until March 2020, has contributed to building RBG Kew's cash reserves. Our winter event Christmas at Kew sold out before the event opened (over 300,000 tickets) and Glow Wild, our lantern festival at Wakehurst, had its most successful December to date, attracting 61,000 visitors. In 2019–20 we generated a net surplus of £0.8m and grew our unrestricted general reserves to £6.5m. Our financial success over recent years will provide some support for the financial challenges to come.

The **Kew Gardens (Leases) Act 2019** received Royal Assent in September 2019 and came into effect in December. The Act allows the Secretary of State to lease land at Kew Gardens for up to 150 years and offers a beneficial new source of income.

RBG Kew's **corporate strategy** runs to March 2021 and during the year we started to consider our strategy to 2030. This work is being carried out alongside development of the new Science Strategy and will be published in early 2021.

The Trustees have considered and given due regard to public benefit guidance published by the Charity Commission in defining the strategic direction of RBG Kew.

Plans for future periods

The plans for the year ahead will be significantly impacted by COVID-19 due to the loss in visitors and associated income and the impact of the current situation on our ability to deliver. RBG Kew's response and recovery to COVID-19 is a new priority for 2020–21. We have postponed planned visitor programming and events over the summer and will keep plans under review through 2020. Our schools' and community access programmes will be adversely affected in 2020 and furloughing a significant proportion of our staff and restrictions on overseas travel will impact on what we are able to deliver in 2020, including science research and accessions to our collections.

To ensure we achieve our strategic objectives, our corporate operational plan sets out the key activities to be undertaken between 2019 and 2022. The plan details 22 corporate priorities for 2020–21 and, in light of the pandemic, work has been carried out to redefine these priorities and extend timeframes where necessary. These priorities are grouped under our five strategic objectives:

- Our collections are curated to excellent standards and are widely used for the benefit of humankind.
- Our science makes a demonstrable contribution to solving critical challenges facing humanity today.
- We are the world's leading botanic gardens where our large and diverse audiences develop their understanding of why plants and fungi matter.
- We are valued as the pre-eminent provider of public education on plant and fungal science, conservation and horticulture.
- We are a sustainable and dynamic organisation, making positive global impacts in partnership with others.

To monitor our progress in achieving our objectives we review our organisational performance on a quarterly basis.

In 2020–21 we will define our strategic objectives and corporate operational plan for the period beyond 2021 in line with our new corporate strategy. We will also reflect on our learning to identify opportunities for better ways of working.

Measuring success

The table below shows performance during 2019–20 for each of our corporate success measures; an explanatory note is provided overleaf.

Strategic Objective	Success Measure	Outturn 2018–19	Target 2019–20	Outturn 2019–20	% Outturn vs target
Our collections are curated to excellent standards and are widely used for the benefit of humankind	1. Number of new plant, fungal and seed accessions to the RBG Kew Science collections	32,589	44,000	29,017	66%
	2. Number of IUCN† threatened species in Seed Bank Collections	786	808	811	100%
	3. Number of visits to RBG Kew digital collections database resources	4.5m	4m	4.4m	111%
Our science makes a demonstrable contribution to solving critical challenges facing humanity today	4. Total number of scientific publications	306	400	412	103%
	5. Number of citations to RBG Kew scientific publications	31,083	27,500	35,319	128%
We are the world's leading botanic gardens where our large and diverse audiences develop their understanding of why plants and fungi matter	6. Total visits to Kew Gardens and Wakehurst	2,360,681	2,477,200	2,587,317	104%
	7. Total number of Members for Kew Gardens and Wakehurst	119,770	136,780	127,462	93%
	8. Percentage of daytime visitors who feel they have learnt something about why plants and fungi matter as a result of their visit to RBG Kew	78%	80%	79%	99%
	9. Net brand alignment score	42	42	32	76%
We are valued as the pre-eminent provider of public education on plant and fungal science, conservation and horticulture	10. Number of school pupil visits to Kew Gardens and Wakehurst	99,364	106,000	102,725	97%
	11. Number of horticulture apprentices, diploma students and MSc students who move onto relevant education and employment	n/a	80%	67%	84%
We are a sustainable dynamic organisation, making positive global impacts in partnership with others	12. Self-generated income	£48.8m	£55.3m	£57.3m	104%
	13. Staff engagement index score	74%	73%	75%	103%
	14. Number of assets categorised as in 'Good' condition	n/a	20%	55%	275%
	15. Carbon emissions (tonnes CO2)	5,318	5,055	5,257	96%

† International Union for Conservation of Nature

Notes on performance

1. Number of new plant, fungal and seed accessions to RBG Kew Science collections

This measure records the number of new specimens added to the plant, fungal and seed collections. We focus on collecting specimens according to our research priorities as set out in the Science Collections Strategy. During 2019–20, we recorded a lower number of accessions than expected, primarily due to increased country-specific legislation regarding genetic access.

2. Number of IUCN threatened species in the collections

This measure demonstrates the representation of species in our seedbank collections that are recorded on the IUCN Red List of Threatened Species, which in 2019–20 was in line with our expectations.

Previously, we have also tracked the IUCN species in our Living Collections. During 2019–20 we implemented a new database and have not been able to track this metric. Going forward we will track the number of taxa that have threatened conservation status as defined by Threatsearch.

3. Number of visits to RBG Kew digital collections database resources

This measure records the level of usage of RBG Kew's databases, demonstrating the importance of maintaining access to Kew's collections. We surpassed our target for 2019–20, achieving a total of 4.44 million visits.

4. Total number of scientific publications

The overall number of scientific publications for 2019–20 was 412, slightly above our target of 400 publications.

5. Number of citations to RBG Kew scientific publications

This measure records the number of instances RBG Kew publications have been cited. In 2019–20, we significantly surpassed our target of 27,500 with 35,319 citations, reflecting the positive and influential impact of our scientific publications.

6. Total visits to Kew Gardens and Wakehurst

This measure records the overall number of visitors to Kew Gardens and Wakehurst. The total number of visits in 2019–20 was 2.59m, an increase of 10% on the previous year, surpassing our annual target and reflecting continued growth in visitor numbers and an increased visitor offer – such as the Chihuly exhibition.

7. Total number of Members of Kew Gardens and Wakehurst

The total number of Members was 127,462, which missed our annual target but represented an increase of 6% on last year's figures.

8. Percentage of daytime visitors who feel they have learnt something as a result of their visit

This metric reflects the results of our visitor survey, which is undertaken at Kew Gardens and Wakehurst. 79% of visitors either agreed or strongly agreed they had learnt something as a result of their visit, demonstrating our role in developing understanding of the importance of plants and fungi. This is a 1% increase on last year's figures although narrowly misses our target.

9. Net brand alignment score

This measures whether perceptions of RBG Kew align with our brand positioning and ethos amongst key stakeholders. Although we were unable to meet our target, a score of 32 is considered 'good'.

10. Number of school pupil visits to Kew Gardens and Wakehurst

The number of school children visiting Kew Gardens and Wakehurst was 102,725. We experienced a significant number of cancelled school bookings in March due to COVID-19, which impacted our ability to achieve our target of 106,000.

11. Number of horticulture apprentices, diploma students and MSc students who move onto relevant education and employment

This measure aims to show the effectiveness of RBG Kew's professional training programmes. Although this figure is below target, it is important to note that it is based on a small sample size as we are reliant on graduates' completed questionnaires.

12. Self-generated income

We measure our income generated from non-government sources including fundraising, admissions, memberships and commercial enterprises. The total self-generated income for the year was £57.3m, higher than target and significantly higher than 2018–19.

13. Staff engagement index score

The staff engagement score is calculated using a set of questions taken from our annual people survey and is comparable with the Civil Service Survey. Our 2019–20 score of 75% is an increase on last year's result and surpasses our target of 73%.

14. Quality of the built estate

This indicator measures the improvements in the built estate arising from our estates work programme. The figure for 2019–20 is a baseline, taken from our assets and condition survey which was completed across both Kew Gardens and Wakehurst sites this year.

15. Carbon emissions

Carbon emissions for the year totalled 5,257 tonnes. Further detail is provided in the sustainability report on pages 18–21.

Customer care statement

RBG Kew operates in a competitive marketplace for visitors and we are attuned to the needs of our existing and potential future customers. As public servants, we have a duty to serve the public well, and as a leading visitor attraction with sites at Kew Gardens and Wakehurst, we must also meet the needs of an increasingly demanding leisure market. We track customer feedback through:

- A visitor survey for both Kew Gardens and Wakehurst, run by an external market research company which tracks key aspects of our visitor experience year-round, as well as tracking key aspects of our service against other competitors.
- A customer comment form which is available at all gates and at the visitor information desk; a specific catering feedback form is available in the catering outlets.
- Our information email addresses, info@kew.org and wakehurst@kew.org.
- Our social media channels.

The 2019–20 annual results from the Kew Gardens visitor survey show that 98% of visitors rated enjoyment of the visits either good or excellent and 82% of paying visitors rated value for money as good or excellent.

The 2019–20 annual results from the Wakehurst visitor survey show that 99% of visitors rated enjoyment of the visits as either good or excellent and 81% of paying visitors rated value for money as good or excellent.

Health and safety statement

We recognise the importance of managing health and safety risks on our sites at Kew Gardens and Wakehurst and as part of the work carried out by our staff off-site. This has been, and will continue to be, paramount in relation to our COVID-19 response.

The Health and Safety Committee meets quarterly to review current health and safety arrangements and set direction for the organisation. The Committee is chaired by the Director of RBG Kew and includes representatives of the three recognised trades unions, a representative from the Departmental Health and Safety Coordinators as well as the Health and Safety Department.

We have relevant health and safety objectives, key performance indicators and a corporate health and safety risk register, all of which are reviewed on a regular basis.

In the reporting year April 2019 to March 2020, there were nine RIDDOR1 reportable incidents at RBG Kew, five involving staff and four involving a member of the public. All incidents were investigated, and remedial action taken as appropriate.

Diversity, Inclusion and Equality statement

Diversity and inclusion of staff and volunteers is a key priority for RBG Kew, and our People and Culture Strategy supports the overall corporate strategy and our ambition to be a dynamic and sustainable organisation. Since 2019, this has resulted in:

- A Diversity and Equality group which has developed an Equality Diversity and Inclusion strategy, launched in June 2020.
- The 'Go To' network (a network of staff volunteers set up to tackle bullying, harassment and discrimination) now embedded, with the Director as its champion. We trained 40 employees as mental health first aiders and ran follow-up/refresher sessions.

- Kew Science formally committed to the Athena SWAN principles and are now able to apply for the Athena SWAN awards. We can use their logo in our recruitment and other publicity.

Diversity and Equality – visitors

Attracting diverse audiences and offering equality of access across our programmes is a key priority.

A core element of this is Kew's Community Access Scheme (CAS), which offers subsidised entry tickets for organisations that provide services directly to people who face physical, sensory, psychological, or social barriers to visiting Kew independently. Over the past year, the number of CAS members has grown by 43% and in 2019–20 this scheme provided 20,940 tickets to 349 groups.

Our Discovery and Access Programme provides accessible learning opportunities for over 2,400 visitors with additional needs including those with physical and/or sensory disabilities. In September 2019, our Family and Early Years programme hosted Kew's first Children's Garden access event for children with Autism Spectrum Disorder and other sensory needs.

From 21–27 October 2019, Kew hosted its first Community Open Week enabling free entry and delivering a range of activities for low-income audiences from across London. The week was well received by participants, with 2,000 bookings from 122 community groups – 80 of which had not visited Kew before. In December, we offered 380 free tickets for Christmas at Kew to CAS members – 80 were 'early access' tickets for children and families with additional needs and disabilities who benefitted from a quieter route.

RBG Kew is now in the fourth and final year of the Temperate House Activity Plan, funded by the National Lottery Heritage Fund. The Activity Plan is aimed at engaging diverse and hard(er)-to-reach audiences. In 2019–20 these audiences included:

- Young people. Through our award-winning Youth Explainer Programme 25 young people, from high pupil premium schools, participated in a six-month training programme and then volunteered over 550 hours to engage with the general public in learning about rare and endangered plants. Separately Kew's Youth Forum co-designed and ran activities for the public during Kew's Science Festival and Community Open Week.
- Adults who face physical, sensory, psychological or social barriers to visiting Kew Gardens. Kew's Community Learning Programme reached 2,000 participants through on-site and off-site sessions engaging them in poetry, knitting and singing linked to rare and endangered plants. Our Community Connectors group (volunteers from community groups) met regularly to advise us on how to reach and engage with more local communities, and our Community Horticultural Learning Programme offered courses and drop-in sessions for participants who experience loneliness, mental health issues and homelessness.
- Early Years and Families with low-income. Working with Children's Centres in our local boroughs, more than 3,000 parents/guardians and children under five enjoyed our early years learning programmes off-site and on-site with many families now seeing Kew as a place for them.

Outreach programme

RBG Kew's flagship outreach learning initiative, Grow Wild, has inspired millions of positive actions for our future environment. Through bringing people together to value and celebrate UK native wildflowers and fungi, Grow Wild has enabled new learning, community connections and wellbeing benefits across the UK, especially with children, younger people and adults living in deprived areas.

During 2019–20, Grow Wild triggered 1.42m positive actions on and offline, exceeding our target by 44%. Activities included digital and event campaigns, distributing 20,000 seed and fungus resource kits and allocating 98 grants to youth and community-led projects.

These achievements are thanks to the support from The National Lottery Community Fund and other donors.

Volunteering statement

As part of our commitment to supporting and promoting active citizenship, RBG Kew recognises the important contribution of volunteers to our work and our community. We have a record of involving volunteers since 1992 and last year an average of 760 volunteers supported Kew's work in a wide variety of settings.

Volunteers are a vital and integral part of the organisation and donate diverse talents and skills, including horticultural support, guiding, youth volunteering and support to our schools, families, galleries and science teams – even our litter pickers, bee keeper and Met Office weather monitor are volunteers. Last financial year our volunteers donated in excess of 100,000 hours to our mission. Although this equates to a value of £1.7m that the organisation would have had to spend on an equivalent contribution of staff time, more important still is all the qualitative data and feedback that we receive concerning the way our volunteers enrich our community with their talent, commitment, skills, enthusiasm and energy. For example, 2,500 volunteer-led guided walking tours across the Kew and Wakehurst sites could not have enhanced our visitor experience without the sterling support of our volunteers.

One of the key quantitative indicators of our volunteers' value to RBG Kew is the 'Volunteer Investment and Value Audit' (VIVA Ratio), which demonstrates that for every £1 we invest in our volunteering programme, we receive over £9 in return. Kew retains more than four fifths of our volunteer task force year on year, with a retention rate of 82% including fixed-term volunteering placements last year and 88% excluding fixed-term volunteering placements.

Kew also promotes environmental volunteering by hosting 'Employee Volunteering Days' for the corporate sector. During 2019–20, 511 volunteers took part in corporate volunteering activities over 27 days.

RBG 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. Last year such placements accounted for over 10% of our horticultural volunteers.

Kew has a devolved structure for the management of volunteers across the organisation. A Volunteer Manager and Volunteer Officer are responsible for the development of volunteer strategy, policy and procedures, supported by a Volunteer Steering Group consisting of pertinent stakeholders in the volunteer programme such as volunteers,

their coordinators and the trades unions. The group meets twice per year to ensure our volunteer strategy supports the objectives of our organisation and to help steer the continued development of our volunteering programmes in a lawful, transparent, consistent, equitable and sustainable way.

We encourage our volunteers to give us regular feedback. In our 2019 Volunteer Survey, 95% of respondents rated their experience in the main role/department where they are placed as excellent or good, with 61% rating it as excellent.

Kew celebrates and thanks our volunteers for their precious gifts of time and talent to our organisation and also the many Kew staff who support, supervise and develop them.

Third party engagement

RBG Kew is committed to ethical responsibility, both as an institution and on the part of individual members of staff, volunteers and students. As an organisation largely funded by charitable donations and public funds, RBG Kew aims to achieve value for money, and deliver the greatest possible positive impact for our beneficiaries and the public.

RBG Kew works with a range of third parties in pursuance of our objectives. In negotiating relationships, we seek to further the aims of RBG Kew, as described in our mission, and protect our reputation and brand. In doing so we undertake to use appropriate due diligence in developing third party engagement relationships and to use a least harm and maximum benefit approach in assessing potential partners. This approach is set out in RBG Kew's Third Party Engagement Policy which was revised during the year and reviewed and approved by the Board of Trustees in March 2020. The policy will continue to be promoted and embedded across the organisation in 2020–21.

Safeguarding

Accountability for RBG Kew's safeguarding policy rests with the Board of Trustees. The Audit and Risk Committee monitors the implementation of the policy and reviews safeguarding incidents at both Kew Gardens and Wakehurst.

The Director of Horticulture, Learning and Operations and the Director of Wakehurst are the two safeguarding leads for RBG Kew with responsibility delegated to the Head of Learning and Participation at Kew Gardens and Head of Programmes and Learning at Wakehurst. Safeguarding is managed through the Safeguarding Oversight Committee, which meets biannually and includes senior staff from across the organisation. Nominated Safeguarding Champions from each directorate meet every two months to identify any gaps that need addressing and support the implementation of the policy through cascading information and following up actions.

During 2019, 294 staff and volunteers attended face-to-face safeguarding training, which emphasised the importance of individuals' responsibility for safeguarding and the need to report any safeguarding incidents. Training was also run for the Board of Trustees and for the Executive Board in 2019. Further face-to-face training will be run in 2020, and work will also focus on creating safeguarding resources to raise awareness and further support staff and volunteers. Safeguarding awareness training is also included in the induction process for new starters.

From January 2020, all new starters are subject to a Baseline Personal Security Standard check in order to standardise BPSS checks across RBG Kew and RBG Kew Enterprises Ltd staff.

Fundraising approach

RBG Kew is an exempt charity, with Defra acting as its principal regulator for charity law purposes. In 2019–20, most fundraising activity was undertaken as a service provided by RBG Kew's subsidiary, RBG Kew Enterprises Ltd, and recharged to RBG Kew. Both RBG Kew and RBG Kew Enterprises Ltd adhere to the Code of Fundraising Practice issued by the Fundraising Regulator. There have been no incidences identified of failure to comply with the Code by RBG Kew, RBG Kew Enterprises Ltd, or any other partners worked with during the year. No complaints were made regarding our fundraising practices. We regularly review fundraising processes to ensure that no undue pressure is placed on visitors or supporters and that all approaches protect the public and vulnerable people from unreasonably intrusive or persistent fundraising.

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

The Amar-Franses & Foster-Jenkins Trust

Arcadia – a charitable fund of Lisbet Rausing and Peter Baldwin

John Armitage Charitable Trust

The Banister Charitable Trust

Rosamund and Richard Bernays

BGS Cayzer Charitable Trust

Bloomberg

Board of Directors of Kew Foundation America

Rosamond Brown

Dr. Roland P. Buehlmann

Buffini Chao Foundation

CSSC Sports & Leisure

Eddie and Sue Davies

DS Automobiles

The Ellis Goodman Family Foundation

John and Catherine Emberson

Evolution Education Trust

Sarah Fransen

Garfield Weston Foundation

GSK

IKEA

John Lewis Partnership

Jo Malone London

Jonathan and Jennifer Oppenheimer Foundation

Kirby Laing Foundation

Steve Lansdown CBE and Maggie Lansdown

The Linda and Gordon Bonnyman Charitable Trust

The National Lottery Community Fund

Mrs Roslyn Packer AC

Perkin Elmer

Peter Sowerby Foundation

Jan and Linda Pethick

Players of People's Postcode Lottery

PuraPharm

The Sarikhani Family

Sfumato Foundation

James Sherwood and Shirley Sherwood OBE

Sky

70 St Mary Axe Unit Trust

Ben and Harriet Thorpe

Toyota Motor Corporation

The 3 Ts Charitable Trust

William A Cadbury Charitable Trust

The Winslow Family

And all other supporters, including our loyal Patrons and those who have chosen to remain anonymous.

Governance statement

Overview

RBG Kew was founded as a Royal Garden in 1759. Under the National Heritage Act 1983 (“the Act”) it became an executive non-departmental public body (NDPB) and a body corporate, with exempt charitable status, operating under a Board of Trustees and a Director.

As an exempt charity and an NDPB, RBG Kew aspires to a high standard of corporate governance. This statement sets out the arrangements RBG Kew has in place and reports on the effectiveness of the arrangements and the key activities and issues which have arisen since the last report.

Our internal governance rules are set out in *Governance at RBG Kew*, which sets out the operating rules for RBG Kew and what it means to be an arm's-length public body and an exempt charity. The document also helps staff to navigate rules relating to decision making, delegated authorities and internal control mechanisms. It was updated in 2020.

As an executive NDPB, we operate at arm's length from our sponsor department, Defra. Defra's role is a strategic one. A revised Framework Document was agreed with Defra in 2018.

1. Governance arrangements

The Board of Trustees

The Board of Trustees was established under the Act and came into existence on 8 August 1983. It is collectively responsible and has non-delegable responsibility for RBG Kew. It determines the strategy of the organisation and ensures that it has appropriate policies and procedures to fulfil its statutory and administrative obligations with regard to the use of public funds. Collectively, the Trustees operate as the Board, observing the legal and good practice expectations included in their responsibilities.

The Board meets four times a year, and additionally when necessary, to consider matters relating to the overall control, business performance and strategy of the organisation. A joint strategy day was held with Foundation Council members and other independent members in attendance. Since March 2020, the Board has met more frequently to discuss the impact and management of COVID-19. Board and Committee meetings are currently being held via videoconference and will continue in this way in the foreseeable future and in line with government guidance.

The 12 Trustees on the Board have been selected to provide an appropriate balance of skills, experience, independence and knowledge to discharge their duties effectively. Of the 12, 11 have been appointed by the Secretary of State for Environment, Food and Rural Affairs and one by Her Majesty The Queen. The recruitment of Trustees is regulated by the Office of the Commissioner for Public Appointments and conducted through fair and open competition, in accordance with the Governance Code on Public Appointments. In addition, we use the expertise of a number of independent members who sit on different Boards and Committees. On appointment Trustees are briefed by Defra and inducted into RBG Kew's operations.

Membership of the Board during 2019–20 was as follows:

Marcus Agius (Chair until 25 October 2019)
Dame Amelia Fawcett (Chair from 26 October 2019)
Valerie Gooding (Queen's Trustee)
Nick Baird
Professor Liam Dolan
Catherine Dugmore
Sarah Flannigan
Krishnan Guru-Murthy
Professor Sue Hartley
Ian Karet
Jantiene Klein Roseboom van der Veer
Michael Lear
Sir Derek Myers

Standard Board agenda items include a regular report from the Director covering major strategic issues, financial updates, reports from Committees and any declarations of interest. The Board considered a range of significant matters during the year including:

- development of the Corporate and Science strategies
- business cases: Family Restaurant and Arboretum Headquarters
- broadening access and outreach programmes
- 10 Year Maintenance Plan
- Wakehurst Development Plan
- Science Quality and Impact Review
- Equality and Diversity Strategy
- World Heritage Site Management Plan
- approval of key policies, including delegated financial authorities and reserves, ethical and third-party engagement policy
- approval of the RBG Kew Annual Report and Accounts, budget and operational plan

Board Committees

The Committees comprise a minimum of two Trustees and some have additional independent members. Each Committee has written terms of reference which are updated and reviewed by the Board annually. A synopsis of Committee meetings is provided to each meeting of the Board of Trustees, with an opportunity for Committee Chairs to raise concerns. Forward work plans are prepared for the Board of Trustees, Audit and Risk Committee and Finance Committee. A record of membership and attendance is on page 14.

Audit and Risk Committee

The Audit and Risk Committee advises the Director of RBG Kew (the Accounting Officer) and assists the Board of Trustees in monitoring the integrity of financial reporting and the effectiveness of internal control, governance and risk management systems. It also advises the Board on the scope and effectiveness of the internal audit service and monitors the work of the external auditor. It reviews the financial statements and annual report and reviews procedures for the detection of fraud and handling of allegations from whistleblowers.

Membership of the Committee comprises three Trustees plus an independent member. A key aspect of the Committee's work is to review the RBG Kew strategic risk register as well as directorate registers. Topics discussed in 2019–20 included:

- estate forward maintenance planning
- annual review of safeguarding and third-party engagement, anti-fraud, modern slavery and whistleblowing policies
- three-yearly review of Governance at RBG Kew
- Trustees' register of interests
- business continuity plans
- operations in Madagascar
- recommendation on internal audit service provider from 2021
- progress in completing internal audit recommendations

Capital Development Committee

The Committee membership comprised four Trustees (three from 26 October 2019 onwards), one independent member of the Foundation Council and two independent members. The Committee met three times during the year and reviewed:

- capital programme performance
- financial and risk management
- actions arising from internal audit reviews relating to the newly implemented in-house facilities management
- estates forward maintenance planning and capital development priorities

The decision was taken in February 2020 to disband the Capital Development Committee which provided the Board of Trustees with oversight of our capital development activities. Its responsibilities were distributed between the Finance Committee, the Audit and Risk Committee and the Science Quarter Steering Committee, which will meet for the first time later in 2020.

Finance Committee

The main responsibility of the Finance Committee is to review significant financial matters on behalf of the Board and make recommendations to the full Board for decision. The Finance Committee comprises three Trustees and two independent members. Issues reviewed by the Committee during the year included:

- scrutiny of business cases for major projects and events and long-term financial plans
- review of RBG Kew's reserves, cash management and investment policies
- capital funding and science grant income
- pay and reward proposals
- 2019–20 operational plan and budget

Foundation Council

The Foundation Council is a group of philanthropic supporters who believe in RBG Kew's mission and are willing to use their networks and ideas to advance this mission. In December 2019, Pippa Wicks was appointed as the new Chair and the Council welcomed an additional two members in the year.

The Council met in person twice during the year, with a third meeting held jointly with the RBG Kew Board of Trustees. Highlights from the meetings included:

- presentations on Kew Science's Commercial Phytochemistry Unit and research on plants for dementia
- an update on Kew's corporate partnership programme
- a presentation on campaign readiness
- the Foundation's operational plan

Remuneration and Nominations Committee

The Committee is chaired by the Chair of RBG Kew and comprises two additional Trustees.

The Committee met twice in the year. In addition to reviewing senior executives' remuneration, it focused on the appointment of the new Chair and future trustee appointments. It also reviews and approves the appointment of all independent members to the RBG Kew Board and its Committees.

Science Advisory Committee

The Science Advisory Committee advises on the long-term strategy for science at RBG Kew. The Committee comprises three Trustees and one independent member. The Committee met four times during the year and discussed:

- independent review of Kew Science
- implementation of the Science Collections Strategy
- development of the next Science Strategy for Kew
- State of the World's Plants and Fungi 2020
- activities of the Commercial Phytochemistry Unit
- science projects portfolio
- seed banking progress
- Kew science grant income and publications

Visitor and Commercial Advisory Committee

The Visitor and Commercial Advisory Committee provides strategic oversight of the visitor offer at Kew Gardens and Wakehurst, and on driving growth of RBG Kew's commercial offer. The Committee consists of three Trustees and one independent member. It met three times in 2019–20. The Committee discussed topics including:

- Commercial performance
- Proposals for the visitor offer and public programming
- Catering at Kew Gardens
- Interpretation and wayfinding
- Wakehurst site development plan
- Membership

Corporate Strategy Sub-Committee

The Corporate Strategy Sub-Committee is a temporary sub-committee of the main Board of Trustees, established in February 2020 to provide steering and support in the areas of defining Kew's next Corporate Strategy running from 2021 to 2030. The Sub-Committee is chaired by the Director of RBG Kew and comprises four Trustees and two independent members.

Board of Trustee and Committee attendance in 2019–20

Board & Committee	Main Board	Audit & Risk	Capital Development	Finance †	Remuneration & Nominations	Science Advisory	Visitor & Commercial Advisory	Foundation Council	Corporate Strategy Sub-Committee
RBG Kew Trustees									
Marcus Agius ± (to Oct 2019)	2/2*		2/2	3/3	1/1*		1/2	1/1 (as RBG chair)	
Dame Amelia Fawcett (from Oct 2019)	2/2*			2/2	1/1*				1/1
Nick Baird ±	4/4			3/5	1/2				1/1
Professor Liam Dolan	3/4					3/4*			
Catherine Dugmore	4/4	3/4	2/3*		2/2	1/4			
Sarah Flannigan	4/4						3/3*		
Valerie Gooding	3/4						3/3		
Krishnan Guru-Murthy	4/4						3/3		
Professor Sue Hartley	3/4					1/4			
Ian Karet ±	4/4			5/5*		2/4		1/2	1/1
Jantiene Klein Roseboom van der Veer	4/4	4/4	3/3			2/2			1/1
Michael Lear	3/4		3/3						
Sir Derek Myers	4/4	4/4*							
Independent Members									
Sir Paul Nurse (from Oct 2019)	1/3								
Pippa Wicks (From Dec 2019)	1/1							1/1*	
Marcus Agius (From Oct 2019)								1/1 (as independent member)	
Andy Bassadone							3/3		
John Botts				5/5					
Trevor Cotton									0/1
Lady Barbara Davis								2/2	
Jon Drori									1/1
David Fransen								2/2	
Sarah Fransen								2/2	
Joe Gromacki (from Feb 2020)								0/0	
Sir Henry Keswick								0/2	
Kenneth Khaw								0/2	
Anish Lalvani								0/2	
Tasha Lalvani								1/2	
Jonathan Lane (to Feb 2020)			3/3						
George Loudon						3/4		2/2	
Mike Mcdonagh		3/4							
Jan Pethick ±			1/3					1/2	
Swati Piramel (from Jul 2019)								1/2	
Jane Reeves				5/5					
Jamie Ritblat								1/2	
Hélène Marie Shafran								1/2	
Charles Sherwood ±								0/2	
Rebecca Thompson (to Feb 2020)			1/3						
John Taysom								0/2	
Johanna Waterous								1/2	
Ruth Yeoh								0/2	

NB Where the number of meetings shown against a Trustee is less than total number of meetings held this indicates that the individual did not hold office at the time of the meeting

*Denotes chair

† Includes extraordinary meeting

± Also Trustees of Kew Foundation

Director of RBG Kew and Accounting Officer

The Director is accountable to the Board for the running of RBG Kew and is appointed by the Board, subject to approval of the Secretary of State. The Director is also the Accounting Officer for RBG Kew and is responsible for:

- accounting for public funding and stewardship of assets for which they have charge
- ensuring propriety, regularity, value for money and feasibility in the handling of public funds
- ensuring that RBG Kew is managed in accordance with the standards set out in HMT's Managing Public Money

The Accounting Officer is accountable to Parliament and Defra's Principal Accounting Officer for the use of Grant-in-Aid and also advises the Defra Minister. These responsibilities are set out in the Framework Document.

Executive Board

The Executive Board is a decision-making forum and acts under delegated authority from the Director and is chaired by the Director. The Board's primary purpose is to support the Director in delivering Kew's corporate strategy. The Executive Board meets on a weekly basis. Membership in 2019–20 was as follows:

- Director RBG Kew (Chair), Richard Deverell
- Chief Information Officer, Ian McKetty
- Director of Estates & Capital Development, Andrew Williams
- Director of Foundation, Meredith Pierce Hunter
- Director of Horticulture, Learning & Operations, Richard Barley
- Director of Marketing & Commercial Enterprise, Sandra Botterell
- Director of Resources, Fern Stoner
- Director of Science, Professor Alex Antonelli
- Director of Wakehurst, Tony Sweeney

The Foundation and Friends of The Royal Botanic Gardens, Kew

Established as an independent charity in 1990, The Foundation and Friends of The Royal Botanic Gardens, Kew (Kew Foundation) exists to raise funds for the purposes of RBG Kew. On 1 July 2017 the majority of Kew Foundation's fundraising activity transferred to RBG Kew Enterprises Ltd, the trading subsidiary of RBG Kew. Kew Foundation continues to exist as a separate legal entity with responsibility for legacy fundraising and managing investment income to support the work of RBG Kew.

It has five Trustees, two of which are RBG Kew appointments. Previous Kew Foundation Trustees were also invited to join Foundation Council, RBG Kew's fundraising committee. The Board of Kew Foundation met twice in 2019–20.

Following the changes in governance outlined above, the Foundation is deemed to have an associate relationship with RBG Kew from an accounting perspective, based on the number of Trustees who are appointed by RBG Kew. As such, in accordance with accounting standards, a share of the Foundation's net assets are consolidated into the accounts this financial year (see note 17 of the Financial Statements) reflecting the proportion of Trustees appointed by RBG Kew, which was 40% at 31 March 2020. RBG Kew does not have the ability to exercise control over the net assets recognised,

which remain subject to decision-making by the Foundation's independent Board of Trustees, and these assets are therefore shown as restricted assets in RBG Kew's financial statements.

Bentham-Moxon Trust

The Bentham-Moxon Trust is a separate registered charity which provides financial support for botanical collections, research and publications that further the work of RBG Kew. The Trust makes annual grants to RBG Kew and can make grants to non-related parties and organisations.

An associate relationship is deemed to exist between RBG Kew and the Trust based on the number of RBG Kew staff who are members of the Trust's Board of Trustees. As such, a share of the net assets of Bentham-Moxon Trust is recognised in the RBG Kew accounts reflecting the proportion of Trustees who are appointed by the Director of RBG Kew, which was 50% at 31 March 2020. RBG Kew does not have the ability to exercise control over the net assets recognised, which remain subject to decision-making by the Trust's independent Board of Trustees, and these assets are therefore shown as restricted assets in RBG Kew's financial statements.

RBG Kew Enterprises Ltd

Enterprises is the wholly owned trading subsidiary of RBG Kew, and its accounts are consolidated into the accounts of RBG Kew. It is governed by a Board of Directors appointed by and accountable to the Board of Trustees of RBG Kew. Enterprises is structured into two divisions, Foundation and Commercial. The Board maintains general responsibility and accountability for Enterprises as a whole, reviews performance and approves strategy and budget, remuneration policies and standard corporate matters such as the Annual Report and Accounts. The Director of RBG Kew is an *ex-officio* member, the other Directors are Trustees and executive staff. The Board met three times in 2019–20.

Enterprises' key identified business risks are its dependence on visitors to Kew Gardens and Wakehurst, and the success of commercial events held in the gardens. While 2019–20 was a very successful year for Enterprises, risk in these areas has increased in light of the COVID-19 pandemic. The future impact of the pandemic is unclear, which means there is a relatively high degree of uncertainty built into the company's financial forecasts. However, other non-visitor-related income streams (including licensing income, e-commerce income and recharge of fundraising services) are currently not expected to be as vulnerable to the impact of COVID-19 in the coming years. These income streams provide some assurance of the company's financial resilience in the face of the identified risks. Risks and mitigation will be managed carefully going forward.

Defra

We support delivery of the Defra strategy and wider UK government objectives. The Defra strategy '*Creating a great place for living*' sets out a shared vision and a set of strategic objectives for the Defra group for the period up to 2020. RBG Kew supports Defra's strategic approach as a member of Defra's Environment Committee and Natural Environment and Rural outcome system, and RBG Kew's activities are highlighted in the Defra Single Departmental Plan.

Regular meetings take place between Defra officials and RBG Kew management. There are meetings between the sponsor Minister, Chair of the Trustees and the Director, RBG Kew every six months.

At a working level, contact with Defra officials is frequent and covers a variety of strategic and financial matters. A Defra representative attends RBG Kew's Audit and Risk Committee meetings as well as the Capital Development Committee up until the point it was disbanded. A Framework Document sets out RBG Kew's relationship with Defra.

Risk Management

The Board of Trustees, and the Audit and Risk Committee on behalf of the Board, has overall responsibility for overseeing risk management activities at RBG Kew. Day to day management of risk is the responsibility of the Director and Executive Board.

We have a comprehensive risk management system, which is centred around a hierarchical structure of risk registers flowing from departmental, through directorate and up to strategic or corporate levels. This structure promotes the escalation of risks that cannot be controlled at the lower levels or which may have an impact on other departments, directorates, or the organisation as a whole. Quarterly reviews of the Strategic Risk Register are undertaken throughout the year as part of the Executive Board operational plan review process.

The Audit and Risk Committee ensures oversight of risk management by reviewing relevant activities and outputs, including the Strategic Risk Register and audit activity, on a quarterly basis. It requests an Executive Director to attend each meeting and describe the risk environment within their directorate. This provides members with an opportunity to review operational risk registers.

Directors of the following areas attended in 2019–20: Information Technology Directorate; Science Directorate; Horticulture, Learning and Operations Directorate; and Foundation Directorate. The Committee also reviewed the Corporate Health and Safety Risk Register in November 2019. A rolling programme of attendance continues into 2020–21.

In February 2020, the risk management policy and risk appetite statement were revised as part of a regular review process. The risk appetite statement provides our appetite for risk against RBG Kew's five corporate objectives and six categories of risk. The policy and appetite statement were approved by the Executive Board and Audit and Risk Committee.

Key risks

The majority of our strategic risks relate to our ability to secure sufficient income so that we can safeguard our collections, ensure that we continue to meet our obligations as a World Heritage Site, deliver world class science and maintain our estates infrastructure. The COVID-19 pandemic has increased these risks, primarily as a result of loss of income, and has brought additional risks relating to our people, our visitors and our programmes.

As of April 2020, six risks carried a red risk rating. These related to: the ability to protect internationally important scientific collections; care for the built estate; insufficient growth in self-generated income; the impact of the COVID-19 pandemic; IT services and business systems providing effective support; and decline in government funding.

Since February 2020, there has been significant work to review and manage the risks related to the COVID-19 pandemic. The key risks identified are:

- risks to our people including sickness, protection of staff working on site, wellbeing, staff morale

- overall financial impact and going concern assessment
- recovery planning, including reopening
- internal controls – financial, HR, payroll, procurement, IT – which may be compromised following the transfer to home working
- fraud risks arising from home working
- risks to IT, including cybersecurity
- risks to physical security (particularly the Wakehurst site)
- risks to operational delivery arising from the impact of the application of the Coronavirus Job Retention Scheme and closure of the gardens
- contract/procurement risks, including financial sustainability of our suppliers and concessionaires to ensure continuity of supply

Appropriate mitigations are in place or being developed to manage these risks.

In March, we identified a data risk with our e-commerce system. We immediately took the site offline and have replaced it with a new system to mitigate this risk and, on investigation, did not find any evidence of a data breach.

Internal control framework

The Trustees and the Director as Accounting Officer are responsible for maintaining a sound system of internal control that supports the achievement of RBG Kew's policies, aims and objectives, and safeguards public funds and assets.

The Accounting Officer of RBG Kew is accountable to the Principal Accounting Officer of Defra to enable her to discharge her overall responsibility for ensuring that RBG Kew, as an NDPB of Defra, has adequate internal control systems and procedures in place.

As Accounting Officer, RBG Kew's Director has responsibility for reviewing the effectiveness of the system of internal control and this is informed by the work of the internal auditors and the senior managers responsible for the development and maintenance of the internal control framework.

The Internal Audit Strategy and Plan for the year were approved by the Audit and Risk Committee in March 2019. The plan was based on:

- an assessment of RBG Kew's strategic risk register
- discussions with key stakeholders and Executive Board
- an assessment of, and follow-up on, previous internal audit reviews

The Head of the Internal Audit service provided the Committee with regular updates on progress against the audit plan at its quarterly meetings.

The Committee also considered progress against the recommendations for improvement in internal control made by RBG Kew's external auditors.

Financial management and control

Financial management is supported through monthly management accounts, quarterly financial reporting to the Executive Board, quarterly re-forecasts, and summary reporting to the Finance Committee and to the Board of Trustees. Financial information is available to all budget holders to enable them to monitor their performance against budgets at any time. The financial delegations' policy is approved by the Board of Trustees annually.

Fraud risk management

We have a zero tolerance policy towards fraud, bribery and corruption and all staff are required to undertake annual

mandatory 'Responsible for Information' training which includes content relating to fraud, bribery and corruption. All internal audits consider the risk and likelihood of fraud within the scope of their remits. The Audit and Risk Committee have reviewed the anti-fraud, bribery and corruption policy and the whistleblowing policy during the year as well as receiving a report on gifts and hospitality offered during the year.

We contribute to HM Government counter fraud initiatives and activities through collaboration with the Defra Group Counter Fraud Network where best practice is shared between Defra departments and other arm's-length bodies.

During the year there was one incident of fraud relating to a theft at the Kew Gardens shop. The incident was reported to the police for investigation. Any incidents of fraud are logged and reported to both the Defra Group Counter Fraud Network and the Audit and Risk Committee. There were no reports of whistleblowing in the period.

Performance management

The Executive Board met quarterly to review progress on delivery of the operational plan and budget. The Board focused on the major initiatives and deliverables that will deliver our corporate strategy.

Information management

General Data Protection Regulation (GDPR) effective since May 2018 set out clear requirements for management and control of personal data. Over the last financial year, RBG Kew has taken effective measures to demonstrate our ongoing compliance with data protection legislation.

In response to an independent GDPR compliance check (February 2019), we have undertaken a privacy programme, implementing 12 key workstreams. We have recruited an Information Governance (Data Protection) Manager who has overseen this programme. Privacy workstreams include the implementation of a new data protection governance structure (consisting of an operational forum and a strategic group), records of processing, data protection impact assessments and improvements to existing processes. Further steps have been taken to develop awareness of our responsibilities through the delivery of new e-learning, face to face training and resources. RBG Kew has its own Data Protection Officer who continues to provide data protection advice, assistance and assurance to the organisation.

RBG Kew continues to work to ensure all processes and systems meet data protection requirements and can robustly respond to changes, incidents and data subject rights.

2. Governance and internal control issues

The areas reviewed by Internal Audit during the year included: collections management (Science); facilities management – mobilisation; information and data security – business critical systems; core financial systems – general ledger; commercial income – events; and business continuity planning.

Of the seven internal audit reviews for which an assurance opinion was provided, two received 'substantial' assurance, four received 'adequate' assurance, and one received 'limited' assurance.

This included two planned internal audits relating to the facilitation of bringing the facilities management function in-house, both receiving 'adequate' assurance. The first of these identified several areas of good project management practice but noted that training had not been implemented as planned. The second demonstrated that the transition had been implemented successfully. It raised recommendations

for resolving some control weaknesses identified around a potential backlog of jobs and the reporting function. To address these issues a facilities management and building consultancy has been engaged to carry out a review of the reasons behind the reported calls backlog as well as to identify any skills shortages to assist in developing a training plan.

RBG Kew's information and data security – business critical systems audit focused on the security of personal data and received a 'limited' assurance rating from Mazars. A follow-up audit was completed in May 2020 and identified that five of the seven recommendations were implemented. Mazars concluded that the progress made was appropriate to mitigate most of the risks previously identified and acknowledged that further work is planned to address the two outstanding recommendations.

The internal audit of core financial systems – general ledger and business continuity planning both received 'substantial' assurance and the latter has been well-tested in the wake of COVID-19. The internal audit of collections management (Science) and commercial income – events both received 'adequate' assurance.

The Audit and Risk Committee has received regular reports on progress in implementing audit recommendations throughout the year.

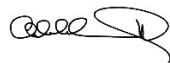
During the year the internal audit contract was re-tendered and awarded to Mazars LLP who demonstrated best value for money.

The internal audit annual report for 2019–20 concluded that RBG Kew's governance, risk management and internal control arrangements were generally adequate and effective.

A control weakness was identified during the 2019–20 audit concerning RBG Kew's Delegated Financial Authorities Policy, which did not state that any gifts or payments for services made to Trustees, regardless of value, require the explicit approval of the non-interested Trustee members of the Board as being in the best interests of the charity and at an appropriate value. The Delegated Financial Authorities Policy will be updated accordingly.

Conclusion

Our risk and internal control framework is considered to be generally sound and has proved adequate in terms of meeting Kew's obligations, mitigating risks and safeguarding its assets. However, it will need to continue to evolve to meet the challenges outlined above and to take note of the observations in the reports of the National Audit Office.

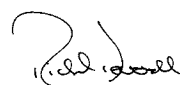


Dame Amelia Fawcett

Chair of the Board of Trustees

Royal Botanic Gardens, Kew

9 October 2020



Richard Deverell

Director

Royal Botanic Gardens, Kew

9 October 2020

Sustainability Report

Our commitment to sustainability

Our mission ‘to be the global resource for plant and fungal knowledge, building an understanding of the world’s plants and fungi upon which all our lives depend’ demonstrates our commitment to sustainability, biodiversity and conservation. As such, we put every effort into minimising any adverse impacts from our operations on the local and global environment. We strive for best practice in environmental management throughout our gardens, projects and partnerships.

We use an ISO14001 Environmental Management System (EMS) to manage our operational impacts; RBG Kew was the first World Heritage Site to achieve this international standard (in 2005). We undergo an annual external audit (UKAS accredited) which we passed with just two minor non-conformities during 2019–20.

About our data

Sustainability information is reported in accordance with the Government Financial Reporting Manual (FRM) and HM Treasury’s Sustainability Reporting Guidance 2019–20.

The Greening Government Commitments (GGC), which were introduced on 1 April 2011, set targets to reduce the impact that government has on the environment. As an arm’s-length body, RBG Kew reports to Defra on a quarterly basis against these targets and the information included in this report forms part of Defra’s Group Sustainability Report. A new round of GGC targets are expected to be approved shortly.

The data gathering process is aligned with the GGC Guidance on Measurement and Reporting and the new Streamlined Energy and Carbon Reporting (SECR) policy implemented by the government on 1 April 2019, requiring UK organisations to disclose their energy consumption and carbon emissions. The introduction of SECR coincided with the end of the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme.

The SECR framework is intended to encourage the implementation of energy efficiency measures, with both economic and environmental benefits, supporting both cost savings and the reduction of carbon emissions. Consumption figures are based on a mix of billed amounts and direct meter readings and may therefore be subject to adjustments in subsequent periods.

Third-party emissions are not currently reported as data is not available. Estimated business travel emissions have been included for the first time and we will be developing our methodology to capture and report further detail relating to our scope 3 emissions in future years. Some categories of scope 3 emissions may remain excluded under the ‘*de minimus*’ criteria.

The information contained within this report has not been subject to external audit and does not form part of the auditors’ opinion on the accounts.

Targets

The 2016–20 GGC targets (updated in 2018) are as follows:

- To reduce greenhouse gas emissions by at least 43% from a 2009–10 baseline.
- To improve waste management by reducing the amount of waste to landfill to less than 10%.
- To further reduce water consumption.
- To continue to buy more sustainable and efficient products and services with the aim of achieving the best long-term, overall value for money for society.

The baseline year for these targets is 2009–10. In some areas RBG Kew does not hold data for this year and where necessary we use a more recent baseline. It should also be noted that since 2009–10, there has been a significant increase in visitor numbers which has an impact on all aspects of resource consumption.

Summary of performance					
Area		2019–20 Performance	2009–10 Baseline	Performance vs 2009–10 Baseline (% change)	GGC 2020 Target
CO ₂ e emissions (see note 1)	Emissions (tonnes CO ₂ e)	5,257	8,869	– 41%	5,055
	Energy expenditure (£)	1,558,130	945,000	+ 65%	N/A
Water (see note 2)	Water supplied (m ³)	166,700	158,000	+ 6%	< 158,000
	Water supply costs (£)	462,508*	238,000	+ 94%	N/A
Waste (see note 3)	Waste (tonnes)	1,072	1,233	– 13%	N/A
	Waste to landfill (%)	5.6%	see note 3	see note 3	< 10%
	Disposal costs (£)	155,972	80,416	+ 94%	N/A

N/A means no target set

1. The Greening Government Commitments greenhouse gas emissions target of at least 43% by 31 March 2020 represents a target of 3,814 tonnes per year reduced against the 2009–10 baseline (8,869 tonnes).
2. Water consumption excludes a significant amount of abstracted water (55,647 m³) used for cooling and returned.
3. No baseline data is available for Waste to Landfill for 2009–10. Total waste does not include compost produced for use within the gardens.

* Within the 2019–20 reporting year the water supply cost also includes wastewater costs to provide a more holistic representation of costs.

RBG Kew Sustainability Strategy

RBG Kew's work is focused on addressing the major environmental challenges faced today, including habitat destruction and degradation, biodiversity loss and climate change.

We will:

- develop a world-class 2030 sustainability strategy, to be launched in 2021
- measure and report our environment impacts
- set ambitious objectives and targets and develop credible plans to drive improvements in environmental performance
- prevent pollution through our operations and our supply chains
- always comply with environmental legislation

Details of performance

Greenhouse gas (GHG) emissions

RBG Kew is committed to reducing emissions arising from its operations as rapidly as possible – in line with, if not beyond, the targets set by the Greening Government Commitments. However, we face significant challenges to decarbonisation, such as a high heat demand (protecting precious collections within listed Victorian glasshouses) and the high heritage value of the grounds and buildings.

RBG Kew actively monitors its energy consumption through use of automatic monitoring and targeting systems wherever possible; however, ongoing investment and improvement is required to improve the quality of our operational sustainability data.

Progress to reduce GHG emissions so far has mostly been through the installation of a range of energy efficiency technologies such as voltage optimisation (and photovoltaic panels) at the Millennium Seed Bank, draught-proofing at both Kew and Wakehurst, LED lighting, low-energy boilers and Building Management System optimisation. This has resulted in a 17.3% drop in total energy usage across both sites, between 2009–10 and 2019–20.

Greenhouse gas emissions	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Direct emissions (1)	4,240	4,027	3,773	3,630	3,275	3,242
Indirect emissions (see note 2,3)	3,032	2,440	2,189	2,122	2,043	2,015
Total emissions (Tonnes CO ₂ e)	7,272	6,467	5,962	5,752	5,318	5,257

1. For consistency with the previous years, direct emissions resulting from gas consumed from CHP have been excluded
2. Prior year figures have been adjusted to reflect changes to historic data in line with latest conversion factors
3. 2019–20 emission factors have been aligned with Defra reporting requirements

Energy (kWh)	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Total	30,273,397	32,559,506	29,745,788	29,337,193	28,056,251	27,383,991
Electricity	7,468,354	7,597,193	7,735,885	7,497,601	7,217,625	7,265,889
Electricity (CHP)	907,151	995,040	1,011,346	1,003,563	981,978	802,567
Electricity (solar PV)	48,955	44,183	45,225	45,826	46,864	45,916
Gas (see note 1)	19,537,956	21,971,540	18,703,184	17,617,245	17,295,700	16,821,576
Oil	2,265,780	1,867,134	2,218,916	3,149,241	2,485,204	2,405,635
LPG (Propane)	45,201	84,416	31,232	23,717	28,880	42,408
Energy costs (£) (see note 2)	1,229,730	1,509,953	1,563,956	1,399,323	1,551,809	1,558,130

1. Gas consumption reported is inclusive of gas utilised by the Combined Heat & Power (CHP) unit to generate electricity and heat onsite
2. Energy expenditure relates to those categories reported namely Electricity (CHP & Grid), Gas, LPG and Oil

Waste management

We are committed to diverting all possible waste away from landfill. In 2019–20 across Kew and Wakehurst waste to landfill was 5.6% of total waste: over 20% was recycled, and over 70% was incinerated for energy recovery. We also produce around 4,000 tonnes of compost per annum for use on site. RBG Kew holds an Environment Agency permit for both Kew and Wakehurst to ensure that compost production complies with all relevant legislation.

The overall volume of waste generated has decreased, although data collection requires improvement to increase the consistency of this data. Waste disposal spend was £155,972 for 2019–20, a significant reduction from 2018–19.

Across RBG Kew we aim to reuse materials wherever possible, for example this year's orchid festival wayfinding signage was stored and reused from 2019.

Sustainable procurement

RBG Kew is committed to sustainable procurement through adherence to Government Buying Standards and our 'Sustainable Purchasing Guidelines' which consider the whole life costs of goods and services and effective supply chain management. Our catering contractor has now eliminated 98% of single-use plastic for all on-site packaging, and we are working with other suppliers to do likewise.

Sustainable construction

RBG Kew aims for the highest achievable BREEAM standard for all new build projects, within project and budget constraints. Wherever possible we aim to integrate sustainable features including rainwater harvesting, renewable energy sources and energy efficient standards, determined on a project-by-project feasibility basis.

All new projects are highly sensitive to the natural environment in which they sit, and all developments are highly controlled to minimise and mitigate any negative impacts on the landscape and habitats in which they sit. Contractors are required to confirm how they manage the environmental impact of their activities.

Biodiversity Action Plans

RBG Kew has a 330 ha site at Kew and a 535 ha site at Wakehurst which contain our globally biodiverse Living Collections, as managed by Kew's Living Collections Strategy (2019). Currently 5% of the Living Collection accessions are categorised as threatened by extinction under the IUCN Red List of Threatened Species.

Selected habitats within Kew Gardens, such as the two sites of acid meadow and the Natural Area, are regarded as being of high conservation value for the Greater London Area. Additionally, Wakehurst and Chiddingly Woods has been designated a Site of Special Scientific Interest. Both are managed to conserve the integrity of the sites and the species assemblages present.

At Kew Gardens a management plan is followed for the 37-acre site known as the Natural Area. This area includes a conservation area and an ancient meadow and is overall characterised by mature mixed broad-leaved woodlands and meadows, connected by grass rides. The natural areas are managed to promote plant and animal biodiversity.

Climate change adaptation

Future climate change risks to Kew's landscapes, collections and listed buildings have been assessed as part of the 2020–2025 World Heritage Site Management Plan. Key risks include the increased potential for severe weather events leading to storm damage or prolonged droughts, increased flood risk, the introduction of new plant pathogens and changes to existing growing conditions in the Gardens. Controls and mitigation measures for the projected impact of climate change will continue to be analysed and integrated into all aspects of site management.

We are investigating the opportunity to participate in the government Climate Change Adaptation Reporting Scheme in future.

Environmental management system

RBG Kew's environmental management system is based on the requirements of BS EN ISO 14001:2015. This system will continue to be an integral tool to manage RBG Kew's environmental impacts and to provide a mechanism to monitor, report and deliver against emissions reduction targets, sustainability objectives and the Treasury's FReM Sustainability Reporting requirements.

This system is rigorously externally audited on an annual basis and demonstrates Kew's commitment to going beyond legal compliance and achieving continual improvement in managing our environmental impacts.

Governance

RBG Kew's progress and compliance with these targets is reported quarterly to our Environmental Sustainability Steering Group, and sustainability activities are integrated into Kew's annual Operational Plan, which is reviewed by Executive Board and the Board of Trustees. From 2020 onwards regular reports on sustainability performance will be provided to Kew's Executive Board and Board of Trustees.

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 RBG 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 HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of RBG Kew's and the group's state of affairs at the year end and of the group's incoming resources, application of resources, Balance Sheet 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.
- Prepare the financial statements on a going concern basis.

The Director of RBG Kew has been appointed as the Accounting Officer for RBG Kew, by Defra's Principal Accounting Officer. 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 RBG Kew's assets, are set out in Managing Public Money published by HM Treasury.

The Accounting Officer and Board of Trustees confirm that:

- The annual report and accounts as a whole is fair, balanced and understandable and they take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.
- There is no relevant audit information of which the auditor is unaware.
- They have taken all the steps they ought to ensure the auditor is aware of all relevant audit information.

Statutory Information

Results

The accounts have been prepared in a form directed by the Secretary of State, with the approval of HM 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 income for the year was £94.3m (£93.0m in 2018–19) of which £32.0m (£36.3m in 2018–19) was Grant-in-Aid from Defra. Total expenditure was £86.8m (£80.1m in 2018–19) and there was a £1.1m loss on investments (£0.1m gain in 2018–19) and a loss on revaluation of assets of £9.4m (£8.8m gain in 2018–19) leaving a deficit of £3.0m (£21.8m surplus in 2018–19) after revaluation of assets.

The deficit of £3.0m consisted of a £0.8m surplus on the unrestricted general and unrestricted designated reserves, a £5.2m increase in the restricted donations and projects reserves, a £0.8m net loss being the share of the results of the Bentham-Moxon Trust and Kew Foundation, plus a deficit totalling £8.2m on the capital and capital revaluation reserves, reflecting capital and project funds to be offset by future depreciation on assets purchased or future capital or project expenditure.

Total funds decreased to £256.6m (£259.6m 2018–19). These include a revaluation fund of £116.4m (£128.3m in 2018–19) to reflect the value of certain land and buildings to which the Trustees do not have title, as outlined below, and the capital reserves of £104.7m (£101.0m in 2018–19) which consist of restricted grants and unrestricted income for capital expenditure to be used to offset future depreciation of assets already purchased. The share of net assets of associates represents £12.5m (£13.3m in 2018–19) of restricted reserves.

Land and buildings

The Board does not hold title to the land and buildings used by RBG Kew, except for the Wellcome Trust Millennium Building and adjacent land at Wakehurst, including Havelock Farm, (35 acres of land purchased by RBG Kew in 2012, located in the centre of the existing Wakehurst estate); the National Trust owns the freehold of the remaining land at Wakehurst. The land and buildings at the Kew Gardens site are owned by the Crown. The Board exercises the management and maintenance functions on behalf of the Minister in relation to the properties used. Information on land and buildings can be seen in Note 11.

Other fixed assets

Significant changes in other fixed assets are shown in Notes 10 and 11.

Investments

Investments are detailed in Note 12 and are held in accordance with the Trustees' powers. Due to the limited investment funds available, the Accounting Officer and Trustees consider the Churches, Charities and Local Authorities Investment Fund provides an adequate balance between risk and reward.

Investments include a share of the net assets of associates (the Foundation and Bentham-Moxon Trust) determined by the proportion of the voting rights held by RBG Kew of each charity. Each associate sets and monitors its own investment policies.

Payments to creditors

Our policy is to settle all invoices with our creditors within 30 days unless otherwise specified in the contract, and to observe the principles of the CBI Prompt Payment Code. During 2019–20 RBG Kew settled its debts on average in 30 days (28 days in 2018–19).

Reserves

The reserves of the organisation are explained in Note 2 of the Accounts. The Board has agreed that the unrestricted part of the General Reserves (Unrestricted General Reserve – other) should not fall below a minimum of £3m to give the organisation the flexibility to cope with fluctuations in income streams and unforeseen expenditure. The Reserves Policy is reviewed on an annual basis.

At 31 March 2020, this fund stands at £6.5m (£6.3m at 31 March 2019) and may be used to partly fund any short-term shortfall in income and to meet major capital needs in the future. In addition, as at 31 March 2020, RBG Kew holds designated unrestricted funds for future capital and project requirements of £5.6m (£5.0m at 31 March 2019).

Unrestricted and designated reserves will be utilised in 2020–21 in response to the financial challenges from COVID-19 and in line with Kew's Reserves Policy. The minimum level of unrestricted reserves is anticipated to be retained at £3m to meet working capital requirements and provide funds to cope with future fluctuations in income. However, this will be kept under review by the Board through 2020–21.

Foundation and Friends of the Royal Botanic Gardens, Kew

The Foundation and Friends of RBG Kew is a registered charity (registration no. 803428) as well as a company limited by guarantee. It is a distinct entity to RBG Kew whose purpose is to provide grant funding to support RBG Kew's activities. It is consolidated into these accounts as an associate.

Bentham-Moxon Trust

The Bentham-Moxon Trust is a separate registered charity (registration no. 305966). It is a distinct entity to RBG Kew whose purpose is to provide financial support for botanical collections, research and publications that further the work of research organisations, including RBG Kew. It is consolidated into these accounts as an associate.

RBG Kew Enterprises Limited

RBG Kew owns 100% of the issued share capital of RBG Kew Enterprises Limited. Its results have been fully consolidated into the accounts of RBG Kew.

Director

Richard Deverell has been the Director of RBG Kew since 17 September 2012.

Internal audit

The Board has appointed Mazars as internal auditors who report on a quarterly basis to the Audit and Risk Committee. 2019–20 was Mazars fourth year as RBG Kew's internal auditors following extension of their contract in November 2017 for a second term.

During the year the Audit and Risk Committee reappointed Mazars as RBG Kew's internal auditors. The contract commenced in January 2020 for financial years 2020–21, 2021–22 and 2022–23.

Bankers

Lloyds Banking Group
4th Floor
25 Gresham Street
London EC2V 7HN

External auditor (RBG Kew)

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

External auditor (RBG Kew Enterprises Ltd)

Grant Thornton UK LLP
31 Finsbury Square
London
EC2A 1AG

Solicitors

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

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.

Gender pay gap

The relevant gender pay gap averages for RBG Kew as at March 2019 were 11.85% (mean average) and 6.85% (median average). The bonus pay gap, including non-consolidated payments paid to staff, was 3.6% (mean average) and 0% (median average). The proportion of men and women receiving a bonus, including non-consolidated payments, was 9% and 7% respectively. The hourly pay quartiles are shown in the table below:

Quartile	Female	Male
Lower quartile	57.1%	42.9%
Lower middle quartile	67.5%	32.5%
Upper middle quartile	63.6%	36.4%
Upper quartile	47.3%	52.8%

Trade Union Facility Time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, relevant data in relation to the usage and expenditure on trade union facility time is as follows:

- There was a total of 16 employees who were union officials during the relevant period
- 15 employees spent up to 1% of their working hours on facility time and 1 spent between 1% and 50% of their working hours on facility time
- The percentage of the pay bill spent on facility time was:

Cost of facility time	£2,332
Total pay bill	£41,019,386
% of total pay bill spent on facility time	0.0057%

- The time spent on paid trade union activities as a percentage of total paid facility time was 100%.

Freedom of Information

Between 1 April 2019 and 31 March 2020 RBG Kew received 36 Freedom of Information requests. 35 requests were responded to during this period, one request has been carried forward into the new financial year and is due to be responded to within the statutory timeframe. Out of the 35 requests responded to in this financial year, all (100%) were dealt with in line with the statutory timeframe.

Going concern

The Trustees have considered the factors that may influence the organisation in the next 12 months, in particular in response to the COVID-19 pandemic. These include the current level of unrestricted reserves, cash held, the agreed Grant-in-aid from Defra for 2020–21 and the self generated income assumptions for 2020–21.

Self generated income has been adversely affected by the closure of the gardens as a result of the COVID-19 pandemic. Reopening the gardens on 1 June 2020 has enabled visitor related income to begin recovery with results since reopening in line with revised forecasts, but with full recovery not anticipated until 2021–22.

Offsetting the shortfall in self-generated income, RBG Kew has undertaken a range of cost-saving measures, including postponing visitor programming, cutting planned investments and introducing a vacancy freeze. Following approval from HMT and Defra, Kew has utilised the government's Coronavirus Job Retention Scheme from April to September and will continue to October and will also utilise its unrestricted and designated reserves.

The speed of recovery will be monitored, and action taken if this is slower than anticipated with further cost-saving measures. A contingency is held within the budget. There remains a residual risk in relation to the possibility of a second wave of infection later in the year, the potential impact of social distancing to our activities, including events, and the ongoing broader impact to the economy and government funding.

Defra has been kept updated on the financial challenges and continues to be supportive. Defra recognises the financial challenges facing RBG Kew in light of the COVID-19 pandemic and has worked closely with RBG Kew to agree a package of mitigation measures which are designed to achieve a balanced 2020–21 budget out-turn. Defra recognises that the forecast out-turn is predicated on a number of planning assumptions which could be undermined by external events, such as a return of COVID-19 restrictions, and that these are outside the control of RBG Kew. Defra has undertaken to engage with RBG Kew to decide if any additional financial interventions are necessary to protect Kew as a going concern should RBG Kew encounter further budget difficulty as a result of the exceptional circumstances presented by COVID-19.

Under the National Heritage Act 1983, RBG Kew has statutory responsibilities as outlined in this report, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient government funding support will continue to be made available to fulfil this responsibility. It is noted that the level of support in future years is subject to confirmation later in 2020–21 as part of the government's current Comprehensive Spending Review.

On the basis set out above, the Trustees believe it is appropriate to prepare the accounts on a going concern basis. The Trustees note that the Directors of its trading company, RBG Kew Enterprises Limited, have prepared the accounts of the company on a going concern basis, and expect to continue to support RBG Kew through the gifting of profits made by the company in the future.

Insurance

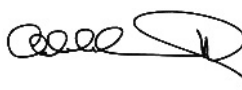
RBG Kew has a range of commercial insurance policies which include public liability, professional indemnity, motor vehicle and other relevant products. However, commercial insurance has not been taken in a number of other areas, notably heritage buildings without commercial use, in line with the HM Treasury guidance 'Managing Public Money'.

Personal data related incidents

RBG Kew has not identified any personal data breaches during 2019–20 that would have required notification to the Information Commissioner's Office.

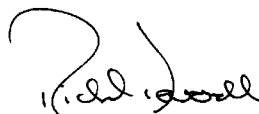
Sickness absence

The average number of day's sickness for staff in 2019–20 was 3.5 days (3.8 in 2018–19).



Dame Amelia Fawcett

Chair of the Board of Trustees
Royal Botanic Gardens, Kew
9 October 2020



Richard Deverell

Director
Royal Botanic Gardens, Kew
9 October 2020

Remuneration report

Remuneration policy

The remuneration of the Director is set by the Remuneration and Nominations Committee, a sub-committee of the Board of Trustees. The members are identified on page 14.

The salary of the Director 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, affordability and government pay policy.

The Remuneration and Nominations Committee reviews the Director's recommendations on the remuneration packages of Executive Board members and other employees on individual contracts on an annual basis. The Trustees do not receive any remuneration for their services to RBG Kew. Note 9 details their expenses.

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.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the current Executive Board.

The Remuneration and Nominations Committee sets performance objectives and awards bonuses based on performance against agreed objectives.

The value of pension benefits during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. This may be a negative value in the year.

Remuneration (Audited)		2019-20 Salary	2019-20 Pension benefits to nearest (£1,000)	2019-20 Total to nearest (£1,000)	2018-19 Salary	2018-19 Pension benefits to nearest (£1,000)	2018-19 Total to nearest (£1,000)
		£	£	£	£	£	£
Richard Deverell ¹	Director	191,311	26,000	217,311	187,133	24,000	211,133
Alexandre Antonelli	Director, Science from 04/02/2019	146,813	57,000	203,813	22,872	9,000	32,000
Richard Barley ²	Director, Horticulture, Learning and Operations	114,153	41,000	155,153	111,612	40,000	152,000
Sandra Botterell ³	Director, Marketing and Commercial Enterprise	145,604	13,000	158,604	140,144	9,000	149,000
David Cope	Director, Strategy and External Affairs until 13/07/2018	-	-	-	24,248	9,000	33,000
Ian McKetty	Chief Information Officer	114,731	45,000	159,731	111,932	44,000	156,000
Meredith Pierce-Hunter ⁴	Director, Kew Foundation	130,050	10,000	140,050	127,500	8,000	136,000
Fern Stoner	Director, Resources	111,410	44,000	155,410	102,791	40,000	143,000
Tony Sweeney	Director, Wakehurst	103,200	40,000	143,200	100,683	39,000	140,000
Andrew Williams ⁵	Director, Estates and Capital Development until 30/06/2020	114,159	45,000	159,159	111,375	43,000	154,000
Kathy Willis ⁵	Director, Science until 14/09/2018	-	-	-	61,712	9,000	71,000
Paul Wilkin ⁶	Interim Director, Science from 17/09/2018 to 01/02/2019	-	-	-	40,838	81,000	122,000

- Salary includes annual salary from RBG Kew of £171,311 (2018-19 £159,633), and £20,000 (2018-19 £27,500) for fundraising services from RBG Kew Enterprises in 2019-20.
- Salary includes annual salary from RBG Kew of £104,153 (2018-19 £101,612) and £10,000 (2018-19 £10,000) for fundraising services from RBG Kew Enterprises in 2019-20.

- Employed by RBG Kew Enterprises. Includes bonus payment of £16,178 (2018-19 £15,270).
- Employed by RBG Kew Enterprises.
- An additional voluntary exit payment of £66,000 is payable

Salary

'Salary' includes gross salary, overtime, 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. This report is based on accrued payments made by RBG Kew and thus recorded in these accounts.

Benefits in kind

Post holders do not receive any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument. For certain post holders on-site accommodation is provided for the proper performance of the duties of the employment, or where it is customary for employees in that role to be provided with on-site living accommodation for the better performance of the duties of the employment. This is not treated as a taxable emolument.

Gender

As at 31 March 2020, the gender split of the Executive Board was 6 males and 3 females.

Median salary ratio

The median salary in the organisation in 2019–20 was £26,500 (£27,237 in 2018–19).

The ratio to the Director's remuneration of £191,311 in 2019–20 (£187,133 in 2018–19) was 7.2 (6.9 in 2018–19). Agency pay has been excluded from the median salary calculation since this pay arrangement would give rise to a distortion of the results.

The range of pay in the organisation in 2019–20 was £15,429 – £191,311 (£14,715 – £187,133 in 2018–19).

Richard Deverell	-	-	-	-	-	26
Richard Barley	15 – 20	0 – 2.5	256	208	31	N/A
Sandra Botterell	-	-	-	-	-	13
David Cope	-	-	-	291	-	N/A
Ian McKetty	5 – 10	2.5 – 5	110	72	26	N/A
Meredith Pierce-Hunter	-	-	-	-	-	10
Fern Stoner	15 – 20	2.5 – 5	174	139	21	N/A
Tony Sweeney	10 – 15	0 – 2.5	184	136	34	N/A
Andrew Williams	15 – 20	2.5 – 5	202	161	25	N/A
Paul Wilkin	-	-	-	482	-	N/A
Alexandre Antonelli	0 – 5	2.5 – 5	37	5	21	N/A

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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements.

They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include 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.

Civil Service pension schemes

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60, and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial 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. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his 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 Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the appointed provider – Legal & General. 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 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Tax arrangements of public appointees

RBG Kew has a number of staff engaged under contract and not through payroll. In line with guidance from HM Treasury, RBG Kew is required to publish information about its controls to ensure the regularity of the tax arrangements of its non-payroll appointees. The scope includes any individual who is engaged to carry out a role in the organisation, including any office holder who is earning more than £245 per day and who is self-employed, supplied by an agency or other company or working through a personal service company:

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for more than six months (not audited):

Number of existing engagements as of 31 March 2019	3
Of which at the time of reporting:	
Number that have existed for less than one year	3

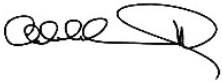
All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, assurance has been sought.

Table 2: For all new off-payroll engagements between 1 April 2019 and 31 March 2020 for more than £245 per day and that last longer than six months (not audited):

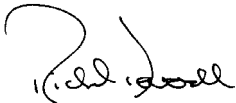
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	2
Number assessed as caught by IR35	-
Number assessed as not caught by IR35	2
Number engaged directly (via a Personal Services Company) and are on the payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following a consistency review	-

Table 3: Off-payroll engagements of Board members with significant financial responsibility during the year (not audited):

Number of off-payroll engagements at board level and/or senior officials with significant financial responsibility	-
Total number of individuals that are board members and/or senior officials with significant financial responsibility.	9



Dame Amelia Fawcett
Chair of the Board of Trustees
Royal Botanic Gardens, Kew
9 October 2020



Richard Deverell
Director
Royal Botanic Gardens, Kew
9 October 2020

Auditor's Certificate and Report

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Royal Botanic Gardens, Kew charity and group for the year ended 31 March 2020 under the National Heritage Act 1983. The financial statements comprise: the Consolidated Statement of Financial Activities, the charity and group Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- The financial statements give a true and fair view of the state of the Royal Botanic Gardens, Kew charity and group's affairs as at 31 March 2020 and of the Royal Botanic Gardens, Kew charity and group income and expenditure for the year then ended; and
- The financial statements have been properly prepared in accordance with the National Heritage Act 1983 and Secretary of State directions issued thereunder.

Emphasis of matter – material uncertainty regarding land and buildings valuation

Without qualifying my opinion, I draw attention to the disclosures in notes 2, 11 and 12 to the financial statements in relation to the valuation of the land, dwellings, buildings and investment properties managed by the Royal Botanic Gardens, Kew charity. As set out in the notes, COVID-19 is affecting market activity in many sectors and, in line with guidance from the Royal Institute of Chartered Surveyors (RICS), the independent valuers' valuations of the Royal Botanic Gardens, Kew charity's land and buildings as at 31 March 2020 included "material uncertainty" clauses. This means a higher degree of caution, and therefore less certainty, should be attached to these valuations than would normally be the case.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Royal Botanic Gardens, Kew charity and group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- The Royal Botanic Gardens, Kew charity and group's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- The Royal Botanic Gardens, Kew charity and group have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Royal Botanic Gardens, Kew charity and group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Trustees and Accounting Officer

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Heritage Act 1983.

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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Royal Botanical Gardens, Kew charity and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the Royal Botanic Gardens, Kew charity and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Royal Botanic Gardens, Kew charity and group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on audit evidence obtained up to the date of my report. However, future events or conditions may cause Royal Botanic Gardens, Kew charity and group to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Other information

The Trustees and Accounting Officer are responsible for the other information. The other information comprises information included in the Annual Report, but does not include the parts of the Remuneration Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- The parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Heritage Act 1983.
- In the light of the knowledge and understanding of the Royal Botanic Gardens, Kew charity and group and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report.
- The information given in the Annual Report which I provide a positive consistency opinion on 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- The financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies

Date 15 October 2020

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Royal Botanic Gardens, Kew

Consolidated Statement of Financial Activities for the year ended 31 March 2020

	Notes	Unrestricted	Restricted	Endowment	2019-20 Total	Unrestricted	Restricted	Endowment	2018-19 Total
		£m	£m	£m	£m	£m	£m	£m	£m
Income from:									
Grant-in-aid	3	16.9	15.1	-	32.0	17.1	19.2	-	36.3
Grants and donations – RBG Kew	4	2.4	16.4	-	18.8	2.9	16.6	-	19.5
Grants and donations – gain from increased share of net assets of associates	4	-	-	-	-	-	-	-	-
Charitable activities	6	24.1	-	-	24.1	21.7	-	-	21.7
Other trading activities	5/16	18.8	-	-	18.8	15.4	-	-	15.4
Investments		0.2	-	-	0.2	0.1	-	-	0.1
Share of associates' results	17	-	0.4	-	0.4	-	-	-	-
Total income		62.4	31.9	-	94.3	57.2	35.8	-	93.0
Expenditure on:									
Raising funds – trading	7/16	10.8	-	-	10.8	9.1	-	-	9.1
Raising funds – fundraising	7/16	4.3	-	-	4.3	3.7	-	-	3.7
Charitable activities									
Research and conservation	7	29.8	19.1	-	48.9	27.4	20.6	-	48.0
Visitor activities	7	19.3	2.3	-	21.6	16.7	2.2	-	18.9
Share of associates' results	17	-	1.2	-	1.2	-	0.4	-	0.4
Total expenditure		64.2	22.6	-	86.8	56.9	23.2	-	80.1
Net gains / (losses) on investments	12	(1.1)	-	-	(1.1)	0.1	-	-	0.1
Net income/ (expenditure)		(2.9)	9.3	-	6.4	0.4	12.6	-	13.0
Revaluation of assets		(9.4)	-	-	(9.4)	8.8	-	-	8.8
Net movement in funds	18	(12.3)	9.3	-	(3.0)	9.2	12.6	-	21.8
Reconciliation of funds:									
Total funds at 1 April	18	170.2	89.2	0.2	259.6	161.0	76.6	0.2	237.8
Total funds at 31 March	18	157.9	98.5	0.2	256.6	170.2	89.2	0.2	259.6

All activities arise from continuing operations.

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

The Notes on pages 34 to 47 form part of these accounts.

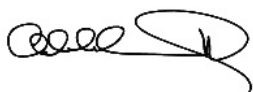
Royal Botanic Gardens, Kew

Balance Sheets at 31 March 2020

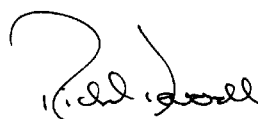
	Notes	Royal Botanic Gardens, Kew		Consolidated	
		2020	2019	2020	2019
		£m	£m	£m	£m
Fixed assets					
Intangible assets	10	-	0.3	-	0.3
Tangible assets	10	7.9	5.8	7.9	5.8
Heritage assets	11	208.9	218.0	208.9	218.0
Investments	12	5.2	6.3	17.4	19.3
		222.0	230.4	234.2	243.4
Current assets					
Stocks of goods for sale		0.4	0.3	1.3	1.2
Debtors	13	17.7	16.1	9.1	9.6
Cash at bank and in hand		23.3	19.1	27.7	22.3
		41.4	35.5	38.1	33.1
Liabilities					
Creditors: amounts falling due within one year	14	(18.9)	(19.2)	(15.3)	(16.5)
Net current assets		22.5	16.3	22.8	16.6
Total assets less current liabilities		244.5	246.7	257.0	260.0
Creditors: amounts falling due after more than one year	15	(0.4)	(0.4)	(0.4)	(0.4)
Net assets		244.1	246.3	256.6	259.6
Funds					
Unrestricted general	18	41.5	41.9	41.5	41.9
Unrestricted revaluation	18	116.4	128.3	116.4	128.3
Restricted	18	86.0	75.9	98.5	89.2
Endowment	18	0.2	0.2	0.2	0.2
		244.1	246.3	256.6	259.6

The Notes on pages 34 to 47 form part of these accounts.

The financial statements were approved by the Director and Board of Trustees on 8 October 2020 and signed on their behalf by:



Dame Amelia Fawcett
Chair of the Board of Trustees
Royal Botanic Gardens, Kew
9 October 2020



Richard Deverell
Director
Royal Botanic Gardens, Kew
9 October 2020

Royal Botanic Gardens, Kew

Consolidated Cash Flow Statement for the year ended 31 March 2020

	Note	2019-20 £m	2018-19 £m
Cash flows from operating activities			
Net cash provided by operating activities	(a)	12.9	16.3
Dividends, interest and rents receivable		0.4	0.3
Purchase of property, plant and equipment		(3.6)	(1.4)
Purchase of heritage assets		(4.3)	(11.4)
Cash flow from financing activities			
Cash inflows from new borrowing		-	-
Change in cash and cash equivalents in the reporting period		5.4	3.8
Cash and cash equivalents at 1 April 2019	(b)	22.3	18.5
Cash and cash equivalents at 31 March 2020		27.7	22.3

a) Reconciliation of net income to net cash flow from operating activities

	2019-20 £m	2018-19 £m
Net income for the reporting period	6.4	13.0
Depreciation charges	4.7	4.6
(Gains)/losses on investments	1.9	0.3
Loss on disposal of fixed assets	1.1	0.3
Decrease / (increase) in stock	(0.1)	(0.2)
(Increase) / decrease in debtors	0.5	0.2
Increase / (decrease) in creditors	(1.2)	(1.6)
Dividends, interest and rents receivable	(0.4)	(0.3)
Net cash provided by operating activities	12.9	16.3

b) Analysis of cash and cash equivalents

	2019-20 £m	2018-19 £m
Cash at bank and in hand	27.7	22.3
Total cash and cash equivalents	27.7	22.3

c) Analysis of changes in net debt

	As at 01 April 2019 £m	Cash flows £m	Non-cash changes £m	As at 31 March 2020 £m
Cash and cash equivalents	22.3	5.4	-	27.7
Cash at bank and in hand	22.3	5.4	-	27.7
	-	-	-	-
Borrowings	-	-	-	-
Due within one year	-	-	-	-
Due after one year	(0.4)	-	-	(0.4)
	(0.4)	-	-	(0.4)
Total	21.9	5.4	-	27.3

Notes to the accounts year ended 31 March 2020

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, on a going concern basis and in accordance with FRS102. 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 Financial Reporting Manual to the extent that they are not in conflict with the FRS102 Statement of Recommended Practice, Accounting and Reporting by Charities (SORP). Royal Botanic Gardens, Kew is a public benefit entity.

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 2020. Consolidation has been carried out on a line-by-line basis.

The Foundation and Friends of the Royal Botanic Gardens, Kew (Foundation) and the Bentham-Moxon Trust are consolidated in the accounts as material associate undertakings as Kew has more than 20%, but not more than 50%, of voting power, based on the number of trustees on the boards of these charities who are appointed by Kew or who are employed by Kew. A share of the net assets of these charities, based on the voting power percentage of Kew staff or trustees, is included as Investments and as Restricted reserves in the consolidated accounts. In the opinion of the Trustees, Kew does not have the ability to exercise control over these organisations or the net assets recognised, and the net assets could only be realised following the approval of these charities' independent Boards of Trustees and not RBG Kew's Board of Trustees.

Going concern status

The accounts have been prepared on a going concern basis. Under the National Heritage Act 1983, RBG Kew has statutory responsibilities as outlined in this report, and the Trustees and Accounting Officer have assumed in making the going concern assessment that sufficient government funding support will continue to be made available to fulfil this responsibility.

It is expected that the COVID-19 pandemic will significantly impact the RBG Kew group's operating activities over the next twelve months, with particular impact on visitor-related income. As detailed in the 'Statement of Trustees' and Accounting Officer's Responsibilities', the Trustees have carefully reviewed RBG Kew's expected self-generated income and cashflows from operating activities and taken mitigating actions to ensure that these financial impacts are managed to further secure RBG Kew's financial sustainability over the next 12 months.

Significant judgements and estimation uncertainty

In the preparation of financial statements RBG Kew is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of income and expenditure. These include: the useful economic lives of assets over which depreciation is calculated, estimates of income or expenditure to accrue in advance of receipt or invoice, the recoverability of debt, and the valuation and impairment of land and buildings, plant and equipment. All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events.

In relation to the valuation of land and buildings, a desktop valuation exercise was carried out by professional valuers with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Red Book Global Valuation Global Standards 2020, the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of current and potential future uncertainties in market values caused by the impact of COVID-19. For example, changes in the replacement build costs due to market restrictions arising from the pandemic's disruption in the future could impact the Depreciated Replacement Cost (DRC) valuation of RBG Kew's specialised heritage buildings as disclosed in these financial statements. The Trustees believe this uncertainty does not invalidate the valuation but its disclosure is made to ensure transparency and acknowledge that less certainty can be attached to the valuation than would otherwise be the case. The Trustees consider that the valuation provided is an appropriate basis on which to determine a materially fair value of relevant land and buildings at the date of reporting.

Income

Government grants

Grant-in-aid, including capital grant, is credited to income in the year for which it is received. Grant-in-aid received for a specific purpose is treated as restricted income (capital or revenue).

Income from activities and generated funds

Income is accounted for on a receivable basis, net of VAT. Grant income is recognised when RBG Kew has met any performance or other deliverable criteria for its recognition. Where the grant is received in advance of performance its recognition is deferred and included in creditors; where entitlement occurs before the grant is received it is accrued to debtors. Member subscriptions, season tickets, corporate memberships and Patron membership are accounted for in the period when received and are not refundable if membership is cancelled.

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 RBG Kew of the service or goods received, based on the market price of an equivalent service or goods.

Donated services

Kew also engages with unpaid volunteers to support our activities over the course of the year. Due to the absence of a reliable measurement basis, the contributions of volunteers are not included as income in the accounts. The details of the roles played by these volunteers and the nature of their contributions can be found in the section 'Volunteering statement'.

Investment income

Investment income comprises interest receivable from cash at bank and short-term deposits, income from investments held in the Churches, Charities and Local Authorities Investment Fund and income relating to investment properties. Investments also includes five properties that are now being commercially let.

Expenditure

Expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

Expense allocation

Costs are allocated to Research and Conservation and Visitor Activities in line with the objectives of RBG Kew as set out in the Management Commentary.

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

Grants payable are recognised when the criteria for a constructive obligation are met, payment is probable, values can be measured reliably, and there are no conditions attached to its payment that limit its recognition.

Heritage assets

The land and buildings and collections used by RBG Kew are Heritage Assets as defined by Financial Reporting Standard 102 (section 34) 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 RBG Kew, except for the Wellcome Trust Millennium Building and the land it is situated on, and the adjacent Havelock Farm, which was acquired in 2012–13. The remaining land and buildings are owned by the Crown at Kew Gardens and by the National Trust at Wakehurst. As required by FRS102, existing buildings and their associated land used for fundraising, administration or accommodation purposes plus the Wellcome Trust Millennium Building were valued and capitalised on the Balance Sheet at 31 March 2001 (Note 11). Subsequent additions are included initially at cost.

Land and buildings are revalued every five years by external professionally qualified valuers, on the basis of either open market value for existing use or depreciated replacement cost. Professional revaluations were carried out during 2001–02, 2006–07, 2011–12 and 2016–17. Up until 2018–19, in between professional revaluations, values have been updated using indices provided by the professional valuers. For the 2019–20 accounts, in light of additional uncertainty arising from COVID-19 and its potential impact on land and building asset values, a desktop valuation exercise was undertaken by Kew's valuer. The results of this desktop valuation are reflected in these accounts. With the exception of those buildings used for fundraising, administration or accommodation purposes, RBG Kew has not capitalised heritage buildings acquired before 2001–02. Under Charities SoRP 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 £0.25m is capitalised.

Collections

The Board of Trustees has 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 section 34 FRS102. New items to the collections costing more than £2,000 and acquired after 2001, 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 are undertaken on a five-year basis and when changes in circumstances dictate.

Other fixed assets

Other fixed assets are stated at their value to the business by reference to cost less depreciation (previously at current costs). Historical costs are not disclosed as required by FRS102 as, in the view of the Accounting Officer and the Board of Trustees, this adds no information of value to the Accounts.

Depreciation

Capital items costing more than £2,000 are capitalised as fixed assets. 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 and laboratory equipment: over 10 years

Computer and photographic equipment: between 3 and 10 years

Office equipment and motor vehicles: over 5 years

A full month (or year in the case of buildings) of depreciation is charged in the month of disposal and none in the month of acquisition. The carrying value of tangible fixed assets is reviewed for impairment when events and/or changes in circumstances indicate the carrying value may not be recoverable.

Construction in progress

Internally generated assets are recognised as construction in progress, and not depreciated until the completed asset is brought into service.

Research and Development

Expenditure on research activities is written off as incurred, due to the inherent uncertainty surrounding the economic benefit resulting from the asset. Capitalisation of development costs is contingent on fulfilment of the criteria noted in FRS102 section 18.

Intangible fixed assets

When fully operational in the business, internally generated software is stated at fair value, which is depreciated replacement cost. Assets in construction are not amortised until brought into use. IT software assets are amortised over a three-year period.

Current assets and liabilities

Stock is stated at the lower of cost and net realisable value. Debtors are measured at their recoverable amounts and creditors at their settlement amounts when these can be measured or estimated reliably.

Pensions

Pension arrangements are described in Note 21 to the accounts. Pension contributions payable by RBG 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.

Within Investments, RBG Kew recognises a share of the net assets of the Foundation and the Bentham-Moxon Trust as associates. RBG Kew's interest in the associate is determined by the proportion of the voting rights held by Kew of each of the charities. On recognition (and because there was no consideration involved), the interest in the associate is accounted for as a gift and recognised as a share of the associate net assets on the Statement of Financial Activities. In subsequent years the carrying amount is adjusted to reflect RBG Kew's share of the net assets and the results of the associates.

Net liquid resources

Liquid resources comprise short term cash deposits. All cash is held in commercial banks and none with the Government Banking Service.

Reserves

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

General 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 General Reserves. These funds may be used at the Board's discretion within the terms of section 24 of the National Heritage Act 1983.

Designated funds

These are unrestricted funds which have been set aside by the Trustees for particular purposes. The aim and use of each material fund is set out in the notes to the accounts.

Restricted funds

These are funds which have been given to Kew for specific purposes by donors. The aim and use of each material restricted fund is set out in the notes to the accounts. Kew recognises a share of the net assets of the Foundation and the Bentham-Moxon Trust as associates in line with the relevant accounting standards. These are restricted funds for which RBG Kew has no control or ability to utilise.

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.

Revaluation reserve

This represents the cumulative difference between historic and current costs of fixed assets. Where this relates to unrestricted assets, it forms part of the unrestricted reserve. Where this relates to restricted assets, it forms part of the restricted reserve.

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, and all VAT balances are processed through RBG Kew.

Leases

Royal Botanic Gardens, Kew has no finance leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

3. Grant-in-aid

Grant-in-aid of £32.0m was received from Defra in 2019–20 to carry out its statutory functions as outlined in the Management Commentary (2018–19 £36.3m). Of this £15.1m is restricted to specific revenue and capital projects (2018–19 £19.2m).

4. Grants and donations

	Unrestricted £m	Restricted £m	2019–20 £m	2018–19 £m
Income received from Kew Foundation	0.9	6.8	7.7	8.2
Fundraising	1.5	5.3	6.8	8.0
Other project income	-	4.1	4.1	2.9
EU project income	-	0.1	0.1	0.3
Grant for maintaining Wakehurst	-	0.1	0.1	0.1
	2.4	16.4	18.8	19.5

Grants and donations income includes Big Lottery Fund Grant income of £1.2m towards Grow Wild activity and £0.4m from the Players of People's Postcode Lottery towards research and conservation projects.

5. Other trading activities

	2019–20 £m	2018–19 £m
Retailing	7.7	6.6
Commercial development (i)	10.7	8.7
Corporate membership and sponsorship	0.4	0.1
	18.8	15.4

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

6. Income from charitable activities

	2019-20	2018-19
	£m	£m
Admissions	11.9	10.6
Memberships	7.5	6.6
Catering contracts	2.0	1.8
Education charges	0.8	0.7
Other income from third parties	1.9	2.0
	24.1	21.7

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 and rents receivable.

7. Expenditure

2019-20						
	Staff costs	Dep'n	Direct costs	Grant funding of activity	Support costs	Total
	£m	£m	£m	£m	£m	£m
Raising funds – trading	2.9	-	7.9	-	-	10.8
Raising funds – fundraising	2.9	-	1.4	-	-	4.3
Research and Conservation	21.1	2.8	5.3	1.6	18.1	48.9
Visitor activities	8.1	1.9	6.5	-	5.1	21.6
Support costs	8.8	-	14.4	-	(23.2)	-
	43.8	4.7	35.5	1.6	-	85.6

2018-19 (Re-presented*)						
	Staff costs	Dep'n	Direct costs	Grant funding of activity	Support costs	Total
	£m	£m	£m	£m	£m	£m
Raising funds – trading	2.5	-	6.6	-	-	9.1
Raising funds – fundraising	2.2	-	1.5	-	-	3.7
Research and Conservation	18.7	3.2	5.6	2.0	18.5	48.0
Visitor activities	6.5	1.4	5.8	-	5.2	18.9
Support costs	7.3	-	16.4	-	(23.7)	-
	37.2	4.6	35.9	2.0	-	79.7

Unrecovered VAT for the year of £0.5m has been charged against these accounts (2018-19 £0.9m). £83k (2018-19 £65k) was paid to the external auditors for audit fees. £56k (2018-19 £45k) was paid for the audit of RBG Kew, and £27k (2018-19 £20k) for the audit of RBG Kew Enterprises. No other fees were paid to the external auditors. Grant funding of activity are grants to institutions for botanic research and conservation projects.

8. Support costs

2019-20			
	Staff costs	Other direct costs	Total
	£m	£m	£m
Estates and Capital Development	2.6	10.6	13.2
IT	2.2	1.4	3.6
HR	1.0	0.6	1.6
Finance	1.2	0.1	1.3
Governance	0.2	0.1	0.3
Other support	1.6	1.6	3.2
	8.8	14.4	23.2

2018-19 (Re-presented*)			
	Staff costs	Other direct costs	Total
	£m	£m	£m
Estates and Capital Development	1.3	13.1	14.4
IT	1.9	1.3	3.2
HR	0.9	0.6	1.5
Finance	1.1	-	1.1
Governance	0.2	0.1	0.3
Other support	1.9	1.3	3.2
	7.3	16.4	23.7

*The comparative information for notes 7 and 8 have been re-presented to reflect a change of allocation methodology that has been applied from 2019-20.

9. Staff costs and Trustees' emoluments

a) Employees with earnings above £60,000

	2019-20	2018-19
£60,000 – 69,999	17	18
£70,000 – 79,999	16	9
£80,000 – 89,999	2	4
£90,000 – 99,999	-	1
£100,000 – 109,999	3	3
£110,000 – 119,999	3	2
£120,000 – 129,999	1	1
£130,000 – 139,999	1	-
£140,000 – 149,999	1	1
£150,000 – 159,999	-	1
£170,000 – 179,999	1	-
	45	40

Details of senior staff remuneration can be found in the Remuneration Report.

b) Staff salaries and social security

	2019-20	2018-19
	£m	£m
Salaries	31.2	27.6
Social security costs	3.0	2.7
Pension costs	6.9	4.9
Redundancy and severance costs	0.5	0.3
Total staff costs	41.6	35.5
Agency staff costs	2.3	1.7
Capitalised salary and related costs	(0.1)	-
Net employee costs	43.8	37.2

£0.0m salary and social security costs (2018-19: £0.0m) and £0.0m pension costs (2018-19: £0.0m) have been capitalised within Non-Current Assets. There are £0.1m (2018-19: £0.0m) of agency staff costs which have also been capitalised.

c) Reporting of compensation schemes – voluntary exit packages

	Total number of voluntary exit packages	
	2019-20	2018-19
Number of employees at:		
Less than £10,000	3	6
£10,000 to £25,000	2	6
£25,000 to £50,000	4	3
£50,000 to £100,000	2	-
£100,000 to £150,000	-	-
Total number of exit packages	11	15
Total resource cost (£m)	0.3	0.2

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

	Average monthly FTE	
Function	2019-20	2018-19
Research and conservation	498	502
Visitor activities	155	142
Support services and Estates management	146	115
RBG Kew Enterprises Ltd – Commercial	92	74
RBG Kew Enterprises Ltd – Fundraising	54	46
Total (FTE)	945	879

The increase in Support services and Estates management staff in 2019-20 reflects the in-housing of facilities management services previously provided through an external supplier from July 2019. The number of employees includes 13 agency staff for 2019-20 (2018-19: 12).

There have been no costs of full-time employees capitalised within Non-Current Assets this year (2018-19: 0 employees)

e) Trustees' remuneration

Trustees do not receive any remuneration for their services. Travel and subsistence expenses of four Trustees (five in 2018-19) amounting to £5,037 (£5,938 in 2018-19) have been charged at cost as part of other direct costs.

10. Intangible and tangible assets Royal Botanic Gardens, Kew and Consolidated

	Software	Total intangible assets	Gardens equipment	IT equipment	Other	Total tangible assets
Valuation	£m	£m	£m	£m	£m	£m
At 1 April 2019	6.5	6.5	4.8	2.9	8.6	16.3
Additions	-	-	0.4	0.4	2.8	3.6
Disposals	-	-	(0.4)	-	(0.1)	(0.5)
Transfers	-	-	0.7	-	(0.7)	-
At 31 March 2020	6.5	6.5	5.5	3.3	10.6	19.4
Depreciation						
At 1 April 2019	6.2	6.2	3.2	2.4	4.9	10.5
Charge for the year	0.3	0.3	0.5	0.2	0.5	1.2
Disposals	-	-	(0.1)	-	(0.1)	(0.2)
Transfers	-	-	-	-	-	-
At 31 March 2020	6.5	6.5	3.6	2.6	5.3	11.5
Net book value						
At 31 March 2020	0.0	0.0	1.9	0.7	5.3	7.9
At 31 March 2019	0.3	0.3	1.6	0.5	3.7	5.8

11. Heritage assets

	Land	Dwellings	Buildings	Collections	Assets under construction – other	Total
Valuation	£m	£m	£m	£m	£m	£m
At 1 April 2019	47.2	17.1	149.0	0.3	9.1	222.7
Additions	-	-	-	-	4.3	4.3
Disposals	-	-	(1.1)	-	-	(1.1)
Transfers	-	-	10.9	-	(10.9)	-
Revaluation	(1.9)	(3.6)	(11.5)	-	-	(17.0)
At 31 March 2020	45.3	13.5	147.3	0.3	2.5	208.9
Depreciation						
At 1 April 2019	-	0.6	4.1	-	-	4.7
Charge for the year	-	0.3	2.9	-	-	3.2
Disposals	-	-	(0.3)	-	-	(0.3)
Revaluation	-	(0.9)	(6.7)	-	-	(7.6)
At 31 March 2020	-	-	-	-	-	-
Net book value						
At 31 March 2020	45.3	13.5	147.3	0.3	2.5	208.9
At 31 March 2019	47.2	16.5	144.9	0.3	9.1	218.0

The valuations of the land and buildings were carried out by Montagu Evans in March 2017. The assets were valued at 31 March 2017 using Open Market Value on an Existing Use basis or, if no market exists for a property, which may be rarely sold or is a specialised asset, then the depreciated replacement cost approach was used. Valuations were prepared in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The land was valued at £43.9m and the buildings at £109.8m. Valuations in 2018–19 were updated using indices. For the 2019–20 accounts, a desktop valuation was undertaken by Powis Hughes (for the Temperate House) and Montagu Evans (all other land and buildings) and asset values updated according to this valuation. The valuers declared a 'material valuation uncertainty' in these valuations due to COVID-19 (see Note 2 "Significant judgements and estimation uncertainty"). All heritage asset categories have been revalued with the exception of Collections.

11. Heritage assets (continued)

As explained in Note 2, existing buildings at 31 March 2001 that are not used for fundraising, administration or accommodation purposes have not been capitalised, and RBG Kew's collections have not been capitalised, as allowed by section 34 FRS102. The Kew Gardens site of 132 hectares is a Grade I historic landscape and a World Heritage Site. The Wakehurst site of 202 hectares is in an Area of Outstanding Natural Beauty. RBG Kew manages over 280 buildings on the Kew Gardens and Wakehurst sites. Five of these are Grade I listed – the Orangery, Pagoda, Palm House, Temperate House and Wakehurst Mansion – and there are 37 Grade II listed buildings. The age of the buildings ranges from the 19th century through to the 21st century. RBG Kew occupies Crown land and buildings and does not currently have express obligations to undertake and hence provide for ongoing or accumulated maintenance for that land and buildings. Maintenance is undertaken and paid for in cooperation with Defra. RBG Kew has a ten year Forward Maintenance Programme for its estate. Funds available for maintenance are prioritised by the Executive Board to the most urgent needs.

In 2019–20 £10.9m of estates capital work in progress was transferred to heritage building assets (2018–19 £42.1m).

All new land and buildings above the capitalisation threshold have been included in the balance sheet since April 2001 and transactions over the last five years are summarised below.

	2015–16	2016–17	2017–18	2018–19	2019–20
	£m	£m	£m	£m	£m
Valuation					
At 1 April	173.2	202.9	177.9	204.4	222.4
Cost of additions funded by government grants	5.1	4.9	6.1	8.1	3.5
Cost of additions funded by other sources	6.4	7.6	11.9	3.3	0.8
Disposals transfers	-	-	-	(0.3)	(1.1)
Revaluations	18.2	(34.6)	8.5	8.8	(17.0)
Transfers	-	(2.9)	-	(1.9)	-
At 31 March	202.9	177.9	204.4	222.4	208.6

RBG 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, periodicals, pamphlets, prints and drawings, objects d'art, handwritten material and photographs relating to the history of Kew.
4. Living collections: all plants cultivated at Kew Gardens and Wakehurst.
5. Seed collections: all the living seeds collected as part of the project and stored in the Millennium Seed Bank building at Wakehurst, and the reference seed 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 <http://www.kew.org/science-conservation/collections> and a brief summary for each of the main areas follows:

The Herbarium collections total approximately 7 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.

The Economic Botany collections are fully catalogued and consist of approximately 100,000 items added to annually with items from all around the world. All the collections are available for inspection and there is also a display of items for the general public in the Botanical restaurant 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. The Library Reading Room is open to the public and parts of the art collection are on show to the public in changing displays in the Shirley Sherwood Gallery of Botanical Art and the permanent display in the Marianne North Gallery.

The Herbarium, Economic Botany and Library and Archives collections are being made available via ongoing digitisation projects to wider audiences and are accessible through the internet.

The Living collections are fully catalogued and managed by the horticulturists at Kew Gardens and Wakehurst. They provide a reference source for all botanical and horticultural science within Kew, with approximately 68,500 accessions representing 27,267 taxa.

Kew's Millennium Seed Bank at Wakehurst is the result of one of Kew's most successful projects and holds Kew's Seed collection of approximately 89,200 samples representing 365 families and 38,500 species, made up of 2.2 billion seeds.

The Microscope Slide collections total about 150,000 items and continue to be prepared by Kew's scientists as part of their research leading to publications and as part of their identification work, including advisory work for UK Customs.

All of Kew's collections are actively managed and used for research purposes. The numbers of additions in the last four years are as follows:

	2016–17	2017–18	2018–19	2019–20
Herbarium collections	30,942	25,541	25,139	22,513
Economic Botany collections	394	411	761	738
Library, Art and Archives collections	9,079	18,408	8,733	9,926
Living collections	2,392	153	267	1,426
Seed collections	4,021	4,654	5,378	3,434
Microscope Slides collections	1,265	2,092	471	263

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. In relation to the Living collections, Kew's disposal procedures detail the factors to be considered including the conservation rating of the plant and if it is in cultivation in other botanic gardens.

12. Investment

	Royal Botanic Gardens Kew		Consolidated	
	2020	2019	2020	2019
	£m	£m	£m	£m
Valuation at 1 April	0.7	0.7	0.4	0.4
Investment properties	5.6	5.5	5.6	5.5
Revaluation of investment properties	(1.1)	0.1	(1.1)	0.1
Share of net assets of associate – Bentham-Moxon Trust	-	-	3.0	2.6
Share of net assets of associate – Foundation	-	-	9.5	10.7
	5.2	6.3	17.4	19.3

Investments includes five properties that were heritage assets that have been reclassified as investment properties as they are now being commercially let. Three properties with a NBV of £2.2m were reclassified in 2016-17, and two with a NBV of £1.9m were reclassified in 2018-19. The investment properties were revalued as at 31 March 2020 by Montagu Evans as part of a desktop revaluation exercise. The valuers declared a 'material valuation uncertainty' in these valuations due to COVID-19 (see Note 2 "Significant judgements and estimation uncertainty").

Investments at 31 March are analysed as follows:

	Royal Botanic Gardens Kew		Consolidated	
	2020	2019	2020	2019
	£m	£m	£m	£m
RBG Kew Enterprises Ltd	0.3	0.3	-	-
CCLA Investment Fund	0.4	0.4	0.4	0.4
Investment properties	4.5	5.6	4.5	5.6
Share of net assets of associates	-	-	12.5	13.3
	5.2	6.3	17.4	19.3

13. Debtors

	Royal Botanic Gardens Kew		Consolidated	
	2020	2019	2020	2019
	£m	£m	£m	£m
Trade debtors	0.6	1.0	1.1	1.8
Prepayments and accrued income	3.0	4.2	4.4	5.0
Owed by subsidiary	10.6	8.1	-	-
Owed by the Foundation	2.4	2.3	2.4	2.3
VAT (HMRC)	1.1	0.4	1.1	0.4
Other	-	0.1	0.1	0.1
Total Debtors	17.7	16.1	9.1	9.6

	Royal Botanic Gardens Kew		Consolidated	
	2020	2019	2020	2019
	£m	£m	£m	£m
Intra-government bodies:				
Balances with central govt. bodies	2.4	2.7	2.4	2.7
Balances with local authorities	-	-	-	-
Balances with public corporations	-	-	-	-
Balances with bodies external to government	15.3	13.4	6.7	6.9
Total debtors	17.7	16.1	9.1	9.6

14. Creditors: Amounts falling due within one year

	Royal Botanic Gardens Kew		Consolidated	
	2020	2019	2020	2019
	£m	£m	£m	£m
Trade creditors	1.3	0.4	1.4	0.6
Accruals & deferred income	9.5	11.9	11.2	13.5
Owed to subsidiary	5.7	4.8	-	-
Other	1.1	1.0	1.4	1.1
Tax & NI	0.7	0.6	0.7	0.7
Pension	0.6	0.5	0.6	0.6
Total creditors	18.9	19.2	15.3	16.5
Intra-government bodies:				
Balances with central govt. bodies	1.3	1.1	1.3	1.3
Balances with local authorities	-	-	-	-
Balances with public corporations	-	-	-	-
Balances with bodies external to government	17.6	18.1	14.0	15.2
Total creditors	18.9	19.2	15.3	16.5

Deferred income relates to income where the activity being funded has not taken place by 31 March in any year and the performance conditions are not yet met. At 31 March 2019 deferred income was £3.4m. During 2019-20 £10.0m was deferred in the year and £10.6m released. At 31 March 2020 deferred income was £2.8m.

15. Creditors: Amounts falling due after more than one year

	Royal Botanic Gardens Kew		Consolidated	
	2020	2019	2020	2019
	£m	£m	£m	£m
Loan	0.4	0.4	0.4	0.4
Intra-government bodies:				
Balances with central govt. bodies	0.4	0.4	0.4	0.4

In 2015-16 RBG Kew borrowed £0.5m from Defra as part of the government voted loan scheme to refurbish two of its residential properties for commercial letting. The interest rate is the National Loans Fund interest rate and was fixed at 1.78%. The loan will be repaid over 12 years from the rental income generated with instalments repaid annually.

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 TW9 3AB

Activity Retailing, commercial development and providing fundraising services to RBG Kew and the Foundation and Friends of the Royal Botanic Gardens, Kew.

Proportion of shares held Ordinary and Redeemable shares 100%

A summary of the results of the subsidiary is shown below. All values are at historic costs.

	2019-20 £m	2018-19 £m
Activities for generating funds – trading	18.4	15.2
Activities for generating funds – fundraising	0.4	0.2
Costs of generating funds – trading	(10.8)	(9.1)
Costs of generating funds – fundraising	(4.3)	(3.7)
Net surplus	3.7	2.6
Add back consolidation adjustments (intercompany expenditure / income)	3.2	2.3
Net surplus excluding adjustments	6.9	4.9
Gift Aid payable to Kew	(6.9)	(4.9)
Retained in the subsidiary	-	-
Balance sheet		
Current assets	11.1	9.3
Current liabilities	(10.8)	(9.0)
	0.3	0.3
Share capital and reserves	0.3	0.3

17. Share of associates

	Bentham-Moxon Trust	Foundation	2019-20 Total £m	Bentham-Moxon Trust	Foundation	2018-19 Total £m
At 1 April	2.6	10.7	13.3	2.7	11.0	13.7
Share of associates' results – surplus	0.4	-	0.4	-	-	-
Share of associates' results – deficit	-	(1.2)	(1.2)	(0.1)	(0.3)	(0.4)
At 31 March	3.0	9.5	12.5	2.6	10.7	13.3

RGB Kew recognises a share of the net assets of Bentham-Moxon Trust and the Foundation based on the percentage of voting rights of these charities' Boards of Trustees held by Kew trustees or Kew staff. For the Bentham-Moxon Trust the percentage at the year-ended 31 March 2020 was 50% (2019: 50%). For the Foundation the percentage at the year-ended 31 March 2020 was 40% (2019: 40%).

The Foundation has a year end of 31 March and net assets are included as at 31 March 2020. The share of the Foundation's results included in the accounts is a deficit reflecting grant payments made to RBG Kew from restricted reserves built up in prior years.

The Bentham-Moxon Trust has a year end of 31 December, and a share of net assets as at 31 December 2018 and 31 December 2019 are consolidated in these accounts, the difference to 31 March 2019 and 31 March 2020 being considered immaterial.

Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent Boards of Trustees and not RBG Kew's Board of Trustees.

Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent Boards of Trustees and not Kew's Board of Trustees.

RBG Kew's share of the income and expenditure of each associate based on the above percentages is as follows:

Bentham-Moxon Trust	2019-20 £m	2018-19 £m
Investment income	0.1	0.1
Botanical grants and research expenses	(0.1)	(0.1)
Net gains / (losses) on investments	0.4	(0.1)
Net expenditure	0.4	(0.1)

Kew Foundation	2019-20	2018-19
	£m	£m
Donations and legacy income	2.1	2.9
Investment income	0.1	0.2
Expenditure on raising funds	(0.1)	(0.1)
Charitable expenditure	(3.1)	(3.3)
Net gains / (losses on investments)	(0.2)	-
Net expenditure	(1.2)	(0.3)

18. Statement of funds: Consolidated

	2019-20					
	At 1 April 2019	Income	Expenditure	Revaluation	Transfers	At 31 March 2020
	£m	£m	£m	£m	£m	£m
Unrestricted						
General – other	6.3	61.3	(60.1)	-	(1.0)	6.5
General–capital	30.6	1.1	(2.3)	-	-	29.4
Capital Revaluation Reserve	123.1	-	(1.4)	(9.4)	-	112.3
Investment properties	5.2	-	-	(1.1)	-	4.1
Unrestricted – Designated						
Future capital and projects	5.0	-	(0.4)	-	1.0	5.6
Total Unrestricted	170.2	62.4	(64.2)	(10.5)	-	157.9
Restricted						
General–capital	70.4	6.9	(2.0)	-	-	75.3
Donations	1.1	-	-	-	-	1.1
National Lottery Community Fund (formerly Big Lottery Fund)	0.1	1.2	(1.0)	-	-	0.3
Projects	4.3	23.4	(18.4)	-	-	9.3
Share of associates	13.3	0.4	(1.2)	-	-	12.5
Total Restricted	89.2	31.9	(22.6)	-	-	98.5
Endowment						
Scott-Marshall	0.2	-	-	-	-	0.2
Robin Spare Book Fund	0.0	-	-	-	-	0.0
Total Endowment	0.2	-	-	-	-	0.2
Total Reserves	259.6	94.3	(86.8)	(10.5)	-	256.6

2018-19

	At 1 April 2018	Income	Expenditure	Revaluation	Transfers	At 31 March 2019
	£m	£m	£m	£m	£m	£m
Unrestricted						
General – other	6.0	57.1	(53.8)	-	(3.0)	6.3
General – capital	32.7	0.1	(2.2)	-	-	30.6
Capital Revaluation Reserve	117.1	-	(0.9)	8.8	(1.9)	123.1
Investment properties	3.2	-	-	0.1	1.9	5.2
Unrestricted – Designated						
Future capital and projects	2.0	-	-	-	3.0	5.0
Total Unrestricted	161.0	57.2	(56.9)	8.9	-	170.2
Restricted						
General – capital	59.7	12.7	(2.0)	-	-	70.4
Donations	1.1	-	-	-	-	1.1
National Lottery Community Fund (formerly Big Lottery Fund)	0.7	1.0	(1.6)	-	-	0.1
Projects	1.4	22.1	(19.2)	-	-	4.3
Share of associates	13.7	-	(0.4)	-	-	13.3
Total Restricted	76.6	35.8	(23.2)	-	-	89.2
Endowment						
Scott-Marshall	0.2	-	-	-	-	0.2
Robin Spare Book Fund	0.0	-	-	-	-	0.0
Total Endowment	0.2	-	-	-	-	0.2
Total Reserves	237.8	93.0	(80.1)	8.9	-	259.6

Unrestricted Funds – General Capital/Investment properties

The addition to unrestricted capital funds reflects unrestricted funds used for capital expenditure. Expenditure reflects the depreciation of those assets and any loss on disposal for the year.

Investment properties includes five properties that have been transferred from Heritage assets following a reclassification of their purpose. The reserve includes the revaluation of these properties.

Unrestricted – Designated Funds – future capital and projects

This consists of funds designated for future expenditure on capital and other projects as approved by the Board of Trustees. Transfers of £1.0m from unrestricted funds are for capital projects including the Arboretum Offices and Family Restaurant Project.

Restricted Funds

The addition to restricted capital funds reflects restricted grants received during the year for capital expenditure. Expenditure reflects the depreciation of those assets and any loss on disposal for the year.

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 7 different accounts within Donations (2018-19: 7).

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 division. There were over 150 such projects this year. The National Lottery Community Fund grant is received towards Grow Wild activity.

The share of net assets of the associates, Bentham-Moxon Trust and Foundation are disclosed in note 17 and are based on the proportion of voting power which Kew has in each charity. Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent Boards of Trustees and not RBG Kew's Board of Trustees.

Endowment Funds

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

19. Analysis of net assets between funds

2019-20				
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
General – other	12.1	10.7	0.2	23.0
General – capital	29.4	75.3	-	104.7
Revaluation reserve	116.4	-	-	116.4
Share of net assets of associates	-	12.5	-	12.5
	157.9	98.5	0.2	256.6

2018-19				
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
General – other	11.3	5.5	0.2	17.0
General – capital	30.6	70.4	-	101.0
Revaluation reserve	128.3	-	-	128.3
Share of net assets of associates	-	13.3	-	13.3
	170.2	89.2	0.2	259.6

20. Analysis of funds

2019-20				
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
Reserves balances at 31 March are represented by:				
Fixed assets	141.5	75.3	-	216.8
Investments	4.5	12.7	0.2	17.4
Current assets	23.9	14.2	-	38.1
Creditors	(12.0)	(3.7)	-	(15.7)
	157.9	98.5	0.2	256.6

2018-19				
	Unrestricted	Restricted	Endowment	Total
	£m	£m	£m	£m
Reserves balances at 31 March are represented by:				
Fixed assets	151.1	73.0	-	224.1
Investments	5.6	13.5	0.2	19.3
Current assets	28.8	4.3	-	33.1
Creditors	(15.3)	(1.6)	-	(16.9)
	170.2	89.2	0.2	259.6

21. Pension costs

The majority of staff of RBG Kew are members of the Principal Civil Service Pension Scheme (PCSPS). The Principal Civil Service Pension Scheme (PCSPS) – known as “alpha” – is an unfunded multi-employer defined benefit scheme but RBG Kew is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

For 2019–20, employers’ contributions of £6.4m were payable to the PCSPS (2018–19 £4.6m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019–20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £0.1m (2018–19 £0.1m) were paid to one of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. Employers also match employee contributions up to 3% of pensionable earnings.

From 1 October 2019 the majority of RBG Kew’s new entrants are enrolled in a new defined contribution scheme. It made pension contributions of £0.1m and 98 staff were members of this scheme at 31 March 2020.

RBG Kew Enterprises Ltd operates a Group Personal Pension Plan for its employees, which is a defined contribution scheme. Until March 2019, RBG Kew Enterprises Ltd had two pension schemes – one for commercial staff and one for fundraising staff. The schemes were combined in April 2019.

It made pension contributions of £0.4m to this scheme during the year (£0.2m in 2018–19). 190 staff were members of the defined contribution scheme at 31 March 2020 and the remaining staff were members of the PCSPS.

22. Commitments

At 31 March 2020 there were major financial commitments in relation to capital development expenditure of £0.5m. The amount payable within one year is £0.5m (£2.4m in 2018–19).

23. Connected charities and other related party transactions

RBG Kew has dealings with the Department for Environment, Food and Rural Affairs (Defra) and its sponsored bodies, and other government departments and their sponsored bodies, and receives Grant-in-aid from Defra.

Connected charities

RBG Kew recognises in its accounts its share of the net assets of material associates. As stated in the Statutory Information the purpose of the Foundation and Friends of RBG Kew is to provide support for RBG Kew.

Fundraising services are provided by RBG Kew Enterprises primarily to RBG Kew but also to the Foundation. To support its activities, RBG Kew Enterprises has two divisions – Commercial and Foundation. All fundraising costs (pay and other costs) are incurred by RBG Kew Enterprises – Foundation division and the majority are recharged to either

RBG Kew or Foundation at cost in line with the relevant service level agreements.

The Foundation’s activities are limited to legacy fundraising, the management of investments, and any grants which started pre-July 2017. RBG Kew Enterprises provides legacy fundraising services and services to support the management of grants and investments to the Foundation. RBG Kew provides back office support services to the Foundation including finance services.

The Foundation made grants to RBG Kew in the year totalling £7.7m (£8.2m in 2018–19). The accounts include a gift in kind from the Foundation of £0.03m.

RBG Kew Enterprises made charges for fundraising services to the Foundation totalling £0.2m (2018–19: £0.1m); RBG Kew made charges for back office support services to the Foundation totalling £0.03m (£0.03m in 2018–19).

There are a maximum of six Trustees on the Foundation Board; two Trustees can be appointed by RBG Kew, four Trustees are independent. Until October 2019, Marcus Agius was the Chair of the Board of Trustees of RBG Kew and a Trustee of the Foundation and at 31 March 2020 Ian Karet and Nick Baird were Trustees of both organisations. In addition, there were three independent Trustees. No control of the Foundation by RBG Kew is indicated at 31 March 2020.

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. Three members of staff are Trustees (Colin Clubbe, Tim Utteridge and Diane Scott) along with three external Trustees. The Trust makes annual grants to Kew and can make grants to non-related parties and organisations. Whilst Kew does not control either the Foundation or the Bentham-Moxon Trust, both entities are considered material associates based on the number of Trustees Kew is able to appoint which is greater than 20% but not more than 50%. As a result, a share of net assets of both entities are included in the accounts as restricted assets. However, Kew does not have control of these entities or the net assets recognised, and the net assets could only be realised following the approval of the independent Boards of Trustees and not Kew’s Board of Trustees.

During the year RBG Kew received £0.1m (£0.1m in 2018–19) from the Bentham-Moxon Trust.

In addition to the material associates, there are a number of other charitable organisations with which RBG Kew has a relationship. During the year, these included Kew Foundation America and The Joseph Banks Society, which were registered 501(c) (3) not-for-profit corporations in the United States but have since been dissolved. The Kew Asia Foundation Limited was incorporated on 4 March 2015 in Hong Kong to support and promote education, scientific research in the science of plants and related subjects through horticultural collaboration between the community of Hong Kong and RBG Kew by inspiring and delivering science-based plant conservation worldwide. The Kew Asia Foundation is currently dormant and is in the process of being dissolved. RBG Kew also has the right to appoint three Trustees to the Castle Howard Arboretum Trust and one Trustee to the Marks Hall Estate.

Other related party transactions

During the year RBG Kew had the following transactions in which there was a related interest:

Dame Amelia Fawcett, Chair of the Trustees, is also on the Board of Governors for the Wellcome Trust. In 2019–20 expenditure incurred was £2,000 (2018–19 £0) and income received was £46,000 (2018–19 £0).

Nick Baird, Trustee, is also Group Corporate Affairs Director at Centrica. In 2019–20 expenditure incurred with Centrica was £51,000 (2018–19 £55,000) and income received was £0 (2018–19 £0).

Catherine Dugmore and Professor Sue Hartley, Trustees, are both Board Members of Natural England. In 2019–20 expenditure incurred with Natural England was £0 (2018–19 £0) and income received was £65,000 (2018–19 £55,000).

Valerie Gooding, Trustee, was also a Non-executive Director of Vodafone PLC during the year. In 2019–20 expenditure incurred with Vodafone was £30,000 (2018–19 £31,000) and income received was £0 (2018–19 £0).

Professor Liam Dolan, Trustee, is also Professor at the University of Oxford. In 2019–20 expenditure incurred with University of Oxford was £0 (2018–19 £34,000) and income received was £300 (2018–19 £0).

Sarah Flannigan, Trustee, was also Chief Information Officer for EDF Energy. In 2019–20 expenditure incurred was £1.2m (2018–19 £937,000) and income received was £0 (2018–19 £0).

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

24. Financial instruments

As the cash requirements of RBG 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. Kew has no complex financial instruments and the risk of exposure to credit, liquidity or market risk is minimal.

25. Events after the reporting date

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.

The Trustees have monitored events after the Balance Sheet date, particularly with regards to the impact of COVID-19, and do not believe there have been any events which impact the values stated in these accounts, or require any additional disclosure.

26. Losses and special payments

Losses and special payments during the year totalled £0.2m (2018–19 £0.1m). This covers bad debt provisions and stock losses.

Annex

Royal Botanic Gardens, Kew five-year financial summary

Statement of Financial Activities

	2015–16 £m	2016–17 £m	2017–18 £m	2018–19 £m	2019–20 £m
Income					
Grant-in-aid	26.2	33.0	40.8	36.3	32.0
Grants and donations – RBG Kew	20.8	23.2	31.2	19.5	18.8
Grants and donations – Gain/(loss) from increased/(decreased) share of net assets of associates	-	0.5	11.0	-	-
Income from activities	18.5	21.7	28.4	37.1	42.9
Investment income	0.1	0.0	0.1	0.1	0.2
Share of associates' results	0.0	0.2	0.2	-	0.4
Total income	65.6	78.6	111.7	93.0	94.3
Expenditure					
Charitable expenditure	50.8	59.6	70.5	66.9	70.5
Raising funds – trading / fundraising	6.2	7.0	10.9	12.8	15.1
Share of associates' results	-	-	-	0.4	1.2
Total expenditure	57.0	66.6	81.4	80.1	86.8
Net income	8.6	12.0	30.3	12.9	7.5
Revaluation of fixed assets	15.4	6.6	8.0	8.9	(10.5)
Net movement in funds	24.0	18.6	38.3	21.8	(3.0)
Funds at 1 April	156.9	180.9	199.5	237.8	259.6
Funds at 31 March	180.9	199.5	237.8	259.6	256.6

Summary Balance Sheet

At 31 March	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m
Fixed assets	176.8	192.6	227.0	243.4	234.2
Current assets	13.5	20.5	29.3	33.1	38.1
Creditors	(9.4)	(13.6)	(18.5)	(16.9)	(15.7)
Total assets less liabilities	180.9	199.5	237.8	259.6	256.6
Unrestricted	146.0	153.6	161.0	170.2	157.9
Restricted	34.7	45.7	76.6	89.2	98.5
Endowment	0.2	0.2	0.2	0.2	0.2
Total funds	180.9	199.5	237.8	259.6	256.6

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