

Company registration number: 2909098
Charity registration number: 1036354

THE NATIONAL BOTANIC GARDEN OF WALES
(A company limited by guarantee
and not having any share capital)

REPORT OF THE TRUSTEES, STRATEGIC REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Azets Audit Services Limited
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

THE NATIONAL BOTANIC GARDEN OF WALES

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THE NATIONAL BOTANIC GARDEN OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees are pleased to present their annual directors' report, which incorporates the strategic report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2023. These are prepared to meet the requirements for a directors' report and accounts for Companies Act (2006) purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Unless stated otherwise, all matters reported upon relate to the group and all references to 'Trustees' in this report are to the Trustees of the parent charity.

OBJECTIVES AND ACTIVITIES

The purposes of the charity, as set out in its governing document, are to promote for the public benefit:

1. The advancement of education in the science of plants and related subjects and the conservation of plant species of the world especially those of Wales, Great Britain and Western European Seaboard, in particular but not exclusively by:
 - (a) The establishment, development and maintenance of a national botanic garden for Wales open to the public;
 - (b) The establishment of a national conservation asset of local, national and international plant species;
 - (c) The development of a Centre for research in plant biodiversity and the creation of an exemplar of good horticultural practice;
 - (d) The provision of formal and informal education and interpretation experiences for people of all ages and abilities particularly to enhance understanding of the interaction of people, plants, landscape and the environment in a sustainable future;
- AND
2. The advancement of public appreciation of Welsh culture and historical heritage by the restoration of the historic landscaped environment and building at the site of the national botanic garden.

The Garden's vision is:

A world that values biodiversity, protects plants and the planet.

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

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit in managing the activities of the charity. Significant activities that were undertaken during the year demonstrate public benefit and are outlined in the attached pages.

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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The main achievements and performance of the charity during the year.

The National Botanic Garden of Wales underwent major change through 2022-23. The previous Director, Huw Francis had left the charity after seven years in leadership, on 8 March 2022. The Garden's Head of Finance, Ms Catrin Evans, was appointed by the Trustees as Interim Director for seven months in 2022-23 until Dr Lucy Sutherland took up her post as Director on 24 October 2022.

During the year there has been significant effort focused on the delivery of major projects:

- Middleton: Paradise Regained Project – this £6.7 million project commenced in 2017 and was completed in 2022-23. The project successfully met its overarching aim of restoring the architectural and landscape features in the historic parkland across the Garden estate and importantly this project has safeguarded the uniqueness of the Garden's cultural and historical context and contributed to the advancement of public appreciation of Welsh culture and heritage.
- Tyfu'r Dyfodol – Growing the Future – this £2.3 million project finished in 2022-23. It aimed to support rural development and promote and develop Welsh horticulture through the provision of training and knowledge transfer to diverse audiences. The project built on the success of the Growing the Future pilot project (2012 – 2015). At its completion, the project had assisted 37 enterprises and supported 199,634 participants. Furthermore, 18,234 training days were delivered to 63,449 participants.
- Biophilic Wales – Funded by the Swansea Bay University Health Board, this project was extended for a further year to June 2023. This project aims to increase and develop the Health Board's green spaces to improve the mental health and wellbeing of users. Local community groups and associations have been engaged and this has created partnerships with diverse groups of volunteers. The overall achievements from this extension work will be reported in 2023-24.
- Orchard of the Celtic Nations – the Marcher Apple Network, together with the Garden, Welsh fruit nurseries and passionate apple growers have worked to identify, locate and maintain Welsh apple varieties. The Garden's National Collection of *Malus* varieties (awarded in 2017) is being redeveloped to unite the collection from across the Garden estate, improve rootstock choice and introduce sheep as a traditional method of grass maintenance in the orchard landscape. The orchard's development and establishment provides training opportunities for staff and opportunities to collaborate with local schools and community groups to plant and maintain it.

Several infrastructure projects were also carried out in 2022-23:

- Both Llyn Canol and Llyn Uchaf needed to have their reservoir walls redesigned and repaired to ensure compliance with changes to the Reservoirs Act (1975), as well as to repair leaks. This major and essential work was completed in 2022-23.
- Supported by *Visit Wales Brilliant Basics fund*, new toilet facilities were added to Theatr Botanica. These facilities enhance the use of the building for venue hire and events, as well as providing improved facilities for families and disabled people.
- Major roof repairs were carried out to the Science Building.
- Following ecological and building assessments and relevant approvals, Waun Las Farmhouse was demolished.

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The following Garden achievements in 2022-23 align with its six strategic objectives:

Be a successful visitor destination of international standing that contributes to the economic, social, environmental and cultural well-being of Wales.

Overall, the Garden received 211,877 visits in 2022-23. Gate entry visits returned to pre-COVID numbers with around 160,800 visits (a drop of 31,095 visits in comparison to the vibrant domestic tourism industry in 2021-22). In addition to the gate entry visits, there were 14,079 education visits, 32,000 visits to the *Luminate* Christmas event, 513 visits to the British Birds of Prey Centre for special experiences and 4,484 visits created through corporate hire activities.

The 'Yr Oriel Gallery' was converted to a small café – 'Caffi Oriel' - in readiness for summer 2023. This will help to reduce wait times during peak visitation and cater for those visitors who want a quick light lunch or drink. The cafe will display work of local artists for sale through the Garden's retail shop.

Be an internationally renowned centre for biodiversity conservation and research.

As an iconic Welsh institution, contribute to promoting the status and recognition of Wales at an international level.

Since 2018, scientific papers authored by the Garden have been accessed 53,243 times resulting in 367 citations. The 2022-23 research resulted in publishing three peer-reviewed scientific papers on the foraging preferences of pollinators. The research knowledge was also applied to the *Local Places for Nature* project, which provided advice to public service board members in Carmarthenshire to improve the shire's green spaces, as well as the provision of a diversity of plants through the season for pollinators.

The conservation work of the National Seed Bank, established in 2018, is focusing on a population level approach to capture and conserve broad genetic diversity from multiple sites. The efforts are being directed to building collections of plants that are most at risk. Twenty-three high quality seed collections were made from threatened species in Wales this year. The National Seed Bank has now banked 6% (101 taxa) of Wales' 1467 native and archaeophyte vascular plants. In total, the Welsh origin seed bank collections comprise 181 accessions, of which:

- 80% are wild-origin (the remaining being 'bulked-up' seed from the Living Collections)
- 41% are from taxa that are threatened or near-threatened with extinction in Wales.

Supported through the Welsh Government funding for the Growing the Future Project, eight Welsh language packs have been launched. These packs have been created by Elin Meek in collaboration with Mentrau Iaith Cymru and the Ganolfan Dysgu Cymraeg Cenedlaethol (National Welsh Language Centre). The packs for learners are designed for entry level, foundation level, intermediate and higher learners and are available in both north and south Welsh dialects.

A significant community history project was realised with the publication of *Middleton Hall | A History*, written by volunteers and edited by Sara Fox. The book charts the rise, fall and rise again of the Middleton Hall Estate over four centuries in tandem with the fortunes of its owners.

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Develop and maintain the horticultural and other collections to the highest curatorial and presentational standards.

The specialist horticulture team continued to care for the national and internationally important plant collections. Specific revitalisation of the following collections was undertaken this year:

The Broadwalk including:

- Collaborating with the British Pteridological society on the development of the UK native fernery
- Trialling green manures as part of soil regeneration
- Developing bryophyte colonisation of hard landscaping features
- International Conifer Conservation collection display in the Fernery.

Walled Garden:

- Enhancing the water lily collection
- Expanding the vegetable garden with the help of Dan Y Coed Specialist School.

Nursery Glasshouses

- Installation of drip irrigation systems to create staffing and water efficiencies, as well as safeguard collections.
- Over 30 *Amorphophallus titanum* were brought in from University of Cambridge Botanic Garden; some of which have been redistributed to other gardens. Alongside these, new tropical plant material has come from the Eden Project, University of Bristol Botanic Garden, University of Oxford Botanic Garden, University of Cambridge Botanic Gardens, Royal Botanic Gardens Kew, Hortus Botanicus Amsterdam and private and public individuals.

Great Glasshouse

- In collaboration with Cambridge University Botanic Gardens, staff went to Hortus Botanicus Amsterdam to collect over 200 new accessions, most of which being wild origin from South Africa.

The team completed the new Plant Reception Facility and the Plant Health and Compliance Policy and Operational Protocol. This has prepared the Garden for expanding its work to be a custodian of living collections from other institutions as a risk management strategy for ex situ collections.

Deliver inspirational informal and accredited education and training in horticulture, plant sciences, conservation, ecology, sustainability, and related STEM subjects, to all ages and abilities, to promote a greater understanding of the importance of the environment in our sustainable future.

The education programme has re-established itself following the impact of COVID. The visit profile has changed and now there are larger group visits and increased elective home education students, which make up 30% of education visits. Health and well-being is a newer focus with 4.6% of visits specifically focusing on this theme.

The Garden continues to provide its horticultural apprenticeship scheme and support the horticultural industry, with funding from private funders and the National Garden Scheme.

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Continue to build and secure a financially sustainable organisation to maximise delivery of the core mission activity of the Botanic Garden.

The Garden generates income through a range of visitor and professional services, as reflected in these financial statements. The horticultural team provides professional contracted services to support conservation and biodiversity projects in Wales. Services are being provided to Natural Resource Wales for the reintroduction of threatened *Rumex rupestris*, Ricardo Energy & Environment and Dŵr Cymru for work on *Potamogeton* species, as well as the Rivers and Canal Trust to support its work on the restoration of the Montgomery Canal.

The Luminate Christmas event was a pilot for opening up the Garden in the evening to special revenue generating events, which will support the rural economy and contribute a new programme of arts and culture experiences in this part of Wales. This successful event attracted 32,000 people.

Supporters are vital to the Garden. In 2022-23, the Garden administered 4,476 memberships, which is estimated to be around 10,265 members. The Garden also receives income and donations from other supporters. The Trustees would like to thank all partners for their generosity in helping the Garden to achieve its aims and ambitions. The following list recognises some of the most significant supporters who have helped this year:

- Welsh Government
- The National Lottery Heritage Fund
- Carmarthenshire County Council
- The Landfill Disposals Tax Communities Scheme (LDTCS)
- Welsh Government Rural Communities – Rural Development Programme LEADER
- The Waterloo Foundation
- Mosawi Foundation
- Colwinston Charitable Trust
- Burns Pet Nutrition
- Cwm Environmental
- Melcourt Industries Ltd
- Allensmore Nurseries
- Ystrad Nursery and Agricultural Supplies
- Swansea Bay University Health Board

Plans for 2023-24 and beyond

The Garden continues to strive to create a better future by being at the forefront of plant research, education, and horticulture and public engagement. Realising our full potential will deliver high-quality scientific evidence to inform action, maximise the national and global value of the National Botanical Collection, and enrich and empower individuals and communities through learning and engagement.

Recovering from the pandemic and rebuilding earned income is an ongoing priority, with certain parts of the business still not reaching pre-pandemic levels of activity. The Garden has developed a five-year business plan to guide the organisation forward and to deliver on its 10-year strategic objectives.

The economic environment with the cost-of-living crisis is making trading conditions difficult. The Garden will continue to address this through careful financial and resource management, improving returns from its assets, and providing visitors with a unique experience, as well as value for money.

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The Garden will enhance its international scientific collaborations. In 2023-24 it is contributing its plant-pollinator DNA metabarcoding expertise to a four-year project examining the impact of climate change on floral and pollinator diversity in Arctic habitats with six international institutions.

Increasing accessibility to the herbarium collections is a priority. The National Heritage Lottery confirmed it will be funding an initiative entitled 'Plants Past Present and Future' to conserve and digitise the herbarium collection and make it accessible online. This collection has around 33,000 pressed plant specimens, many of which date from the 1800s. Diverse participation and engagement will be a central theme – hands-on assistance from volunteers will be vital, and a new project member of staff will deliver educational outreach in local schools and colleges and the broader public.

In April 2023 a generous donation in honour of Quentin Kay was made. Quentin was a well-respected botanist who contributed significantly to knowledge on British flora and he was actively involved in the establishment of the National Botanic Garden of Wales. This donation will enable our scientists to undertake a project on plant population genetics and the conservation of Welsh species. This project aims to:

- Design a cost-effective way to examine the plant population genetics of rare Welsh plant species.
- Test new techniques to look at genetic health in species with complex genetic profiles.
- Use 2011 and 2021 DNA collections, to develop method and then test and compare population level genetics.
- Generate knowledge that informs in situ conservation of Welsh flora.

A masterplan for the Coedfa Genedlaethol Cymru (National Arboretum of Wales) will be completed in 2023-24. This plan is to create a nationally important arboretum that engages with all visitors, inspires new communities and audiences and delivers a key learning and conservation resource. A fundraising campaign will support the delivery of this major project, which will take several years to complete.

The preparation of a Living Collections Strategy will guide further development of the Garden's living collections in 2023-24 and beyond. The strategy will pay particular attention to Welsh native flora and articulate the priorities for horticultural development and plant conservation.

A new health and well-being partnership is being formed with the Hywel Dda University Health Board in Carmarthenshire. Together the organisations will collaborate on the Gwyrddio'r Tir – Shades of Green Project, funded by a Sustainable Communities grant through the UK Government and Carmarthenshire County Council. The project will develop an integrated mosaic of green space that reflects the health and wellbeing needs of patient cohorts, staff groups and community partners associated with the Health Board estate.

Through increased capacity in engagement, our visitor experiences will be increased and diversified as part of an ongoing COVID recovery and business development plan. The Garden will work in partnership with new and existing organisations, including the British Birds of Prey Centre and Tadorna Tours, to deliver various offerings. In addition, it will expand its event programme to include both community and commercial events.

The redesign of the Garden web site will be launched in 2023-24.

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Volunteer contribution

The Garden is extremely grateful for the tremendous efforts of the volunteers who are involved in diverse charity activities including operational duties (horticultural, science research, bee-keeping, landscape rangers, library, talks, buggy driving, commercial support, archaeological work, administration and marketing support). The Garden has over 214 active volunteers (excluding our Trustees). In 2022-23, there was a return to pre-COVID levels of volunteering and it resulted in over 25,345 hours (2022: 21,214 hours) of voluntary input, which is the equivalent of 13 full time staff (2022: equivalent to 11 staff). The contribution is valued at £241,000.

Investment performance against the investment objectives.

The Trustees, having regard to the liquidity requirements of the Charity, have kept available funds in interest-bearing deposit accounts and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances, deposit rates have been low and inflation high, so this aim was not achieved in the year.

The invested funds held on deposit achieved an average rate of 0.8% (2022: 0.2%) against the retail price index of 13.5% (2022: 9.3%) for the year.

FINANCIAL REVIEW

The group's financial position at the end of the year ended 31 March 2023:

The financial position of the group at 31 March 2023 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows: -

	2023	2022
	£	£
Net income	123,510	877,540
Unrestricted revenue funds available for the general purposes of the group	516,985	748,011
Unrestricted fixed assets	6,590,474	5,049,717
Total unrestricted funds	7,107,459	5,797,728
Designated revenue funds	200,000	275,000
Total designated funds	200,000	275,000
Restricted revenue funds	244,388	324,535
Restricted fixed asset funds	19,758,958	20,790,032
Total restricted funds	20,003,346	21,114,567
Total funds	27,310,805	27,187,295

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Financial review of the position at the reporting date, 31 March 2023

The financial year ending 31 March 2023 was a disappointing trading year following the 21-22 bounce back from the COVID pandemic. Visitor numbers declined by 16% from 21-22 to pre-pandemic numbers resulting in a small deficit of £6k on operating activities (2022: £328k surplus). Lower visitation and increasing costs contributed to the deficit.

In the year, total resources of £5.3m (2022: £6.1m) were received comprising £3.7m (2022: £3.6m) of unrestricted funds and £1.7m (2022: £2.6m) of restricted income. Total expended resources in the year amounted to £5.2m (2022: £5.3m). £3.7m (2022: £3.2m) was expended from unrestricted funds leaving an unrestricted fund balance carried forward of £7.3m (2022: £6m). £1.5m (2022: £2m) was expended from restricted funds leaving a restricted fund balance carried forward of £20m (2022: £21.1m). Total fund balances at 31 March 2023 were £27.3m (2022: £27.1m).

Specific changes in fixed assets are detailed in the notes to the accounts. Tangible fixed assets at cost or valuation increased to £26.3m (2022: £25.8m) representing £25m (2022: £24.4m) of land, buildings, plant and machinery and £1.4m (2022: £1.4m) in estate vehicles, fixtures and fittings and plants and planting.

Policies on reserves & going concern

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned emergency repairs and other expenditure. The Trustees consider that the ideal level of free reserves should be around £1,000,000.

The Garden's reserves policy is informed by:

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

Unrestricted reserves increased by £1.3m from £6m to £7.3m after transfers from restricted funds. These are funds which are expendable at the Board's discretion in furtherance of the objects or administration of the Charity. However, the Garden saw a drop in its free reserves from £748k to £517k as at 31st March 2023 reflecting the deficit for the year and the cost of the closure of various restricted fund projects.

The consolidated balance sheet remains sound with net current assets of £1m (2022: £1.4m) and the ownership of a long leasehold interest. The Garden saw a reduction in its cash balances by £493k in the year reflecting the deficit, capital improvements and reduction in restricted fund cash balances as projects ceased.

The Trustees have reviewed the circumstances of the Garden and group and consider that adequate resources continue to be available to fund the activities of the Garden and group for the foreseeable future. The Trustees are of the view that the Garden and group are a going concern. The Garden aims to continue to build its reserves in the future to ensure financial sustainability.

The Trustees are aware of difficult trading conditions for the foreseeable future given the cost of living crises, high inflation and increased interest rates. The Trustees will monitor costs and activities during the year.

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Availability and adequacy of assets of each of the funds

The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

The major risks to which the Charity is exposed and reviews and systems to mitigate them

The Trustees have a risk management strategy which comprises:

1. a bi-annual review of the principal risks and uncertainties that the charity and its subsidiary face;
2. the establishment of policies, systems and procedures to mitigate those risks identified in the bi-annual review; and
3. the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is a financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, and active management of trade debtors and creditors balances to ensure sufficient working capital is available to the Charity and its subsidiary company.

Attention has also been focused on non-financial risks arising from fire, health and safety of staff, volunteers and the public. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff and volunteers working in operational areas.

The Garden has the following strategies for managing the principal risks:

1. The Garden continues to explore new and profitable brand aligned revenue streams to enhance the Garden's reach and offering as well as reduce its dependency on public sector funding.
2. The Garden acknowledges the significant value to partnering with other organisations to deliver its mission on a financially sustainable basis and is committed to working to develop these relationships to the benefit of all.
3. The Garden is now 23 years old and the need to maintain infrastructure across the 568 acres represents a long-term commitment. WG and other capital funding is integral to meeting the costs of repairs and development.
4. The Garden is aware that its commercial income is related to the economic climate and factors such as available disposable income, public sector spending and the economy in Wales and further afield, and regularly reviews market trends to identify likely impacts on the Garden.
5. The Garden has received EU grant support in previous years and is actively working to secure alternative funding.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure of the charity

The Charity is constituted as a company limited by guarantee. The governing document of the parent charity is the Memorandum and Articles of Association establishing the company under company legislation.

By operation of law, all Trustees are directors under the Companies Act 2006 and all directors are Trustees under Charities legislation and have responsibilities, as such, under both company and charity legislation.

The Trustees of the charity are all individuals and unpaid.

The Company Members of the National Botanic Garden of Wales appoint the Board in accordance with the Garden's constitution at the annual general meeting. Trustees retire by rotation at the Annual General Meeting and may be re-elected. Any vacancy is advertised openly and the Nominations Committee consider all applications and make recommendations to the Board.

The Trustees developed and approved a new Governance Manual during 2018, to ensure best practice in line with the Nolan Principles for standards in public life, Charity Commission guidance and the Companies Act. The Manual will be provided to all prospective and new Trustees as part of an induction pack during any future Trustee recruitment process.

The charity's organisational structure

The Board of Trustees administers the charity. The Board meets quarterly, and operates separate sub-committees covering nominations, remuneration, finance and audit. A Chief Executive (known as the Director) is appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees and the Governance Manual, for operational matters including finance, employment and operations.

Governance Review

During 2022-23 the Board of Trustees commenced a comprehensive governance review, to consider any changes the Board needed to make to improve overall performance of the organisation. Changes already implemented include strengthening of Board oversight of health and safety issues, and risk management. The review is ongoing and the Board will continue to monitor its effectiveness and performance.

The Chief Executive Officer and other senior management personnel to whom day to day management is delegated:

The senior management personnel of both the Charity and trading subsidiary at the date of approval of the report and during the accounting period were as follows:

Executive Senior Management Team:

Dr LA Sutherland	Chief Executive Officer (Director), appointed October 2022
SC Evans	Head of Finance
D Hardy	Head of Marketing and Communications, left March 2023
M Newbold	Head of Marketing & Communications, appointed July 2023
J Smith	Head of Facilities & Operations, appointed April 2022
A Summers	Curator, left June 2023
C Williams	Head of Hospitality

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Setting pay and remuneration of key management personnel

The Board of directors, who are the Charity's Trustees, and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. There were no directors' expenses or material related party transactions in the year under review.

The pay of the senior staff is reviewed periodically. In view of the nature of the charity, the directors benchmark against pay levels in other regional charities of a similar nature.

The charity as a part of a wider network

The Garden works in partnership with a large number of partner organisations and individual supporters throughout Wales and the wider international community. The areas of partnership include those from horticulture, education, sustainability, conservation, science and research as well as historic landscape, arts and Welsh culture.

The charity's relationships with related parties.

The Trustees volunteer and none receive remuneration. Any connection between a trustee or senior manager of the charity must be disclosed to the full Board of Trustees in the same way as any other contractual relationship with a related party. In the current year no material related party transactions were reported.

The charity's wholly owned subsidiary, Middleton Garden Limited, was established to operate the commercial catering, conferencing, farm and retail facilities at the Garden. Middleton Garden Limited has a license from the charity to operate those facilities and distributes its profits to the charity (see note to the accounts).

REFERENCE AND ADMINISTRATIVE DETAILS

The legal name of the charitable group is: The National Botanic Garden of Wales

The charity is also known by its operating name, The National Botanic Garden of Wales

Details of the group:

The parent charity is The National Botanic Garden of Wales. The subsidiary is Middleton Garden Limited.

The charity's areas of operation and UK charitable registration:

The charity is registered with the Charity Commission for England & Wales with charity number 1036354 and with Companies House with registration number 2909098.

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

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The principal operating address, telephone number, email and web address of the charity is:

Middleton Hall, Llanarthne, Carmarthen, Carmarthenshire, SA32 8HG
Telephone: 01558 667149
Email Address: info@gardenofwales.org.uk
Web address: www.botanicgarden.wales

The registered office of the charity for Companies Act purposes is the same as the operating address shown above.

The Trustees in office on the date the report was approved were

Mr D G Davies (Chair)	(Reappointed 25 November 2022)
Ms Mel Doel	
Professor I Donnison	
Mr D Howell	
Mrs J James	(Reappointed 25 November 2022; Stepped down as Vice Chair 25 November 2022)
Mr D Jenkins	
Mr T Jones	(Reappointed 25 November 2022)
Ms S Jennings	
Dr H.S Matthews (Vice-Chair)	(Appointed as Vice Chair 25 November 2022)
Mrs E Parrott	(Resigned 2 June 2023)
Dr P Smith	
Mr R Glyn Thomas	(Reappointed 25 November 2022)
Professor P Wall	
Mr S Williams	
Mr M Woods	(Reappointed 25 November 2022)
Ms E Whittle	

At the Annual General Meeting, one third of the Trustees shall retire and will be eligible for re-election (as per clause 44-46 of the Articles of Association). All the Trustees are also members of the charity.

Bankers:

NatWest Bank, 59 King Street, Carmarthen

Solicitors:

Acuity Legal, 3 Assembly Bay, Cardiff
Morgan De La Roche Solicitors, Carmarthen

Auditor:

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

Statement as to disclosure of information to auditors

The Trustees state that so far as each of the Trustees at the time this report was approved are aware:

- a. There is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the auditors are unaware, and
- b. The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

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RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Trustees (who are also directors of The National Botanic Garden Of Wales) for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the Trustees are aware:

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

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

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

..... **Mr JDG Davies – Chair**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2023**

Opinion

We have audited the financial statements of The National Botanic Garden of Wales (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st March 2023 which comprise the consolidated Statement of Financial Activities, the consolidated and parent Balance Sheet, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2023**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2023**

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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 our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

We 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 we identify during our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE NATIONAL BOTANIC GARDEN OF WALES
FOR THE YEAR ENDED 31 MARCH 2023**

Use of our report

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

Andrew Howells

Senior Statutory Auditor

For and on behalf of

Azets Audit Services

Chartered Accountants and Statutory Auditors

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Date

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE NATIONAL BOTANIC GARDEN OF WALES
STATEMENT OF FINANCIAL ACTIVITIES - CONSOLIDATED
FOR THE YEAR ENDED 31 MARCH 2023
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies	3	734,586	61,291	795,877	772,975
Charitable activities	4	1,586,345	1,596,605	3,182,950	4,210,871
Investment income	5	11,030	-	11,030	2,737
Other trading activities	6	1,341,587	164	1,341,751	1,155,313
Total income and endowments		3,673,548	1,658,060	5,331,608	6,141,896
Expenditure on:					
Raising funds	7	1,315,934	-	1,315,934	1,075,336
Charitable activities	7	2,363,930	1,528,234	3,892,164	4,189,020
Total expenditure		3,679,864	1,528,234	5,208,098	5,264,356
Net income/(expenditure)	8	(6,316)	129,826	123,510	877,540
Transfers between funds	19,21	1,241,047	(1,241,047)	-	-
Net movement in funds		1,234,731	(1,111,221)	123,510	877,540
Reconciliation of Funds					
Total funds brought forward	19,21	6,072,728	21,114,567	27,187,295	26,309,755
Total funds carried forward	21,22	7,307,459	20,003,346	27,310,805	27,187,295

All of the net incoming/ (outgoing) resources are from continuing activities.
The company has no recognised gains or losses other than the above.

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
BALANCE SHEET - CONSOLIDATED
AS AT 31 MARCH 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		26,349,432		25,839,749
Current assets:					
Stocks	14	170,875		124,597	
Debtors	15	502,461		441,137	
Cash at bank and in hand		1,394,690		1,887,707	
		2,068,026		2,453,441	
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,051,653)		(1,020,210)	
Net current assets			1,016,373		1,433,231
Net assets			27,365,805		27,272,980
Creditors: Amounts falling due after one year	17		(55,000)		(85,685)
Total net assets			27,310,805		27,187,295
The funds of the charity:					
Restricted income funds	19		20,003,346		21,114,567
Unrestricted funds					
General funds	21	7,107,459		5,797,728	
Designated funds	20	200,000		275,000	
			7,307,459		6,072,728
Total charity funds	22		27,310,805		27,187,295

These financial statements were approved by the Board of Directors/Trustees on

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D Howell – Chair of the Audit & Finance Committee

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
BALANCE SHEET - CHARITY
AS AT 31 MARCH 2023

		2023		2022	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	12		26,344,666		25,832,166
Investments	13		<u>1</u>		<u>1</u>
			26,344,667		25,832,167
Current assets:					
Stocks	14	17,802		16,262	
Debtors	15	593,409		493,109	
Cash at bank and in hand		1,392,313		1,885,276	
		2,003,524		2,394,647	
Liabilities:					
Creditors: Amounts falling due within one year	16	(986,540)		(960,801)	
Net current assets			1,016,984		1,433,846
Total assets less current liabilities			27,361,651		27,266,013
Creditors: Amounts falling due after one year	17		(55,000)		(85,685)
Total net assets			27,306,651		27,180,328
The funds of the charity:					
Restricted income funds	19		20,003,346		21,114,567
Unrestricted funds					
General funds	21	7,103,305		5,790,761	
Designated funds	20	200,000		275,000	
			7,303,305		6,065,761
Total charity funds	22		27,306,651		27,180,328

These financial statements were approved by the Board of Directors/Trustees on

.....
D Howell – Chair of the Audit & Finance Committee

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
STATEMENT OF CASH FLOWS - GROUP
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Net cash provided by operating activities	25	<u>1,069,840</u>	<u>2,412,318</u>
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments	5	11,030	2,737
Purchase of property plant and equipment	12	(1,561,065)	(582,299)
Proceeds from disposal of fixed assets		11,638	5,500
Net cash used in investing activities		<u>(1,538,397)</u>	<u>(574,062)</u>
<i>Cash flows from financing activities:</i>			
Repayments of borrowing	25	(24,460)	(1,375,460)
Net cash (used in)/ from financing activities		<u>(24,460)</u>	<u>(1,375,460)</u>
Change in cash and cash equivalents in the reporting period		(493,017)	462,796
Cash and cash equivalents at the beginning of the reporting period		1,887,707	1,424,911
Cash and cash equivalents at the end of the reporting period	25	<u><u>1,394,690</u></u>	<u><u>1,887,707</u></u>

The notes on pages 22 to 45 form part of the financial statements

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Legal form and address

The National Botanic Garden of Wales is a private company limited by guarantee incorporated in England and Wales. The registered office is Neuadd Deg, Middleton Hall, Llanarthne, Carmarthenshire, SA32 8HG.

Basis of preparation

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Middleton Garden Limited on a line by line basis.

No separate statement of financial activities and income and expenditure account has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the Statement of Recommended Practice: Charities SORP (FRS 102).

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 31 March 2024, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. The Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the board in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Income recognition

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income from charitable activities and trading income is recognised in the period to which the service relates with any amounts received in advance being deferred.

Retail, café and plant sales are recognised at the date of sale.

No amounts are included in the financial statements for services and time donated by volunteers. Interest on funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs in relation to generating income such as fundraising and events, marketing and publicity and certain costs associated with the charity's trading subsidiary.
- Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees' report

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

An analysis has been provided for the charitable activities on a departmental basis.

Costs where possible are attributed directly to the activity to which they relate. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Taxation

As a registered charity The National Botanic Garden of Wales is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects' purposes only.

Fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses, or in cases where fixed assets have been donated to the charity, at valuation at time of acquisition.

Individual fixed assets costing £1,000 or more are capitalised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold premises and leasehold land	0%	% straight line
Leasehold premises	2%	% straight line
Plant and machinery	4% - 33%	% straight line
Motor vehicles	10% - 25%	% straight line

A regular annual review of the likelihood of asset impairment is undertaken.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

Plant Collection

No depreciation is provided on the plant collection because it is the practice to maintain and renew the plants on a continual basis. Accordingly, the life is so long and the residual value so high that the Trustees consider that depreciation calculated in accordance with accepted accounting standards would be immaterial.

Accounting for capital grants and fixed asset funds.

Where the terms of the gift require the charity to hold the asset on an ongoing basis for a specific purpose, then the fixed asset fund so created is categorised as a restricted fixed asset fund, and the relevant restrictions are noted in the fixed asset note in the financial statements.

Where the terms of the gift are met once the asset is acquired, so allowing the charity to use the asset on an unrestricted basis, including the right to receive the proceeds of any future sale of the asset on an unrestricted basis, then the fixed asset is transferred to unrestricted funds.

As the related assets are depreciated, in accordance with the depreciation policy, in order to reflect the diminution in the asset, a transfer is made from the relevant fixed asset funds to either unrestricted or restricted revenue funds, as appropriate to the terms of the original gift, if any.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised.

Investments

Investments relate to 100% of the share capital of the charity's wholly owned trading subsidiary and is recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price after taking into account all further costs and excess stocks that are slow moving.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due and are allocated against unrestricted funds.

Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donations	103,563	61,291	164,854	133,752
Legacy	-	-	-	5,958
Grants	631,023	-	631,023	633,265
	<u>734,586</u>	<u>61,291</u>	<u>795,877</u>	<u>772,975</u>

Grants were received from the following sources:

	Total 2023 £	Total 2022 £
Welsh Government (Core)	594,000	594,000
Welsh Government – Rural Development Wales	37,023	39,265
	<u>631,023</u>	<u>633,265</u>

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
<u>Group</u>	£	£	£	£
Admission fees	848,191	-	848,191	1,102,839
Educational and contract income	171,822	1,448	173,270	90,956
Grants	30,662	1,595,137	1,625,799	2,553,155
Membership income	270,904	-	270,904	273,143
Other income	103,133	20	103,153	22,562
Plant and seed sales	161,633	-	161,633	168,216
	<u>1,586,345</u>	<u>1,596,605</u>	<u>3,182,950</u>	<u>4,210,871</u>

Grants were received from the following sources:

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
<u>Group</u>	£	£	£	£
Apprenticeship Fund		5,000	5,000	23,000
European Regional Development Fund & Leader Funds	-	99,122	99,122	178,208
RHS Flourish Fund	-	-	-	14,500
Welsh Government Landfill Tax Community Scheme	-	-	-	39,920
HMRC Job Retention Scheme	-	-	-	14,140
The National Lottery Heritage Fund	-	241,224	241,224	138,058
The Waterloo Foundation	15,000	-	15,000	-
Welsh Government Capital Funds	-	1,320,000	1,320,000	1,725,000
Welsh Government Enabling Natural Resources and Wellbeing	-	(130,825)	(130,825)	355,181
British Soil Association	982	-	982	-
Welsh Government Visit Wales – Brilliant Basics	-	14,852	14,852	65,148
Royal Botanic Garden Kew	14,500	-	14,500	-
Swansea Bay University Health Board	-	45,764	45,764	-
Other funds	180	-	180	-
	<u>30,662</u>	<u>1,595,137</u>	<u>1,625,799</u>	<u>2,553,155</u>

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
<u>Group and charity</u>	£	£	£	£
Bank interest	11,030	-	11,030	2,737
	<u>11,030</u>	<u>-</u>	<u>11,030</u>	<u>2,737</u>

THE NATIONAL BOTANIC GARDEN OF WALES
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6. OTHER TRADING ACTIVITIES

Group	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Corporate and wedding income	87,851	-	87,851	36,834
Event income	30,196	-	30,196	4,741
Food and drink sales	703,837	-	703,837	726,231
Other sales	8,044	-	8,044	1,392
Renewable income	70,084	-	70,084	41,952
Rental income	66,203	-	66,203	42,367
Sale of goods	375,372	164	375,536	301,796
	1,341,587	164	1,341,751	1,155,313

TOTAL INCOME

Income has been generated from the following categories:

	Total 2023 £	Total 2022 £
Middleton Garden Limited	1,366,911	1,265,830
Horticulture	80,523	43,928
Education	138,096	63,022
Admission and membership	1,207,204	1,468,903
Operations and central	771,725	704,134
Fundraising and events	57,637	4,543
Science	51,452	4,741
Restricted funds	1,658,060	2,586,795
	5,331,608	6,141,896

THE NATIONAL BOTANIC GARDEN OF WALES
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7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Raising funds £	Direct £	Support £	Governance £	Total 2023 £	Total 2022 £
Advertising and marketing	55,079	7,743	1,101	-	63,923	69,163
Audit fees	-	-	-	13,983	13,983	12,028
Bad debt	-	-	413	-	413	1,878
Catering consumables	28,852	141	-	-	28,993	28,877
Cleaning and waste management	4,835	38,412	205	-	43,452	35,054
Depreciation	3,774	994,474	8,748	-	1,006,996	989,623
Educational and research expenditure	91	9,107	14	-	9,212	27,378
Equipment hire, repairs and maintenance	6,915	61,510	449	-	68,874	140,112
Event and attraction expenses	10,644	8,129	1,548	-	20,321	19,625
Farm expenses	-	10,351	-	-	10,351	13,472
Health and safety	20	8,810	778	-	9,608	2,913
Horticulture costs	810	52,570	67	-	53,447	84,113
Insurance	-	105,871	-	-	105,871	72,346
Interest, card and bank charges	-	86	40,464	-	40,550	34,883
IT costs	19,766	24,062	26,983	-	70,811	62,062
Lease costs	-	(1,288)	7,472	-	6,184	6,062
Legal and professional fees	4,576	92,913	9,317	-	106,806	152,757
Light, heat, power	516	257,561	66	-	258,143	216,790
Loss on sale of asset	-	32,748	-	-	32,748	8,463
Other costs	124	4,819	2,049	-	6,992	9,629
Other staff and volunteer costs	2,205	30,401	68,900	-	101,506	120,946
Printing, postage, stationery	8,151	19,387	4,275	-	31,813	34,856
Premises repairs and maintenance	1,200	140,056	-	-	141,256	232,401
Purchases	505,609	88,995	336	-	594,940	502,702
Rent, rates and water	-	18,966	25	-	18,991	16,271
Subscriptions and licenses	9,597	9,533	3,528	-	22,658	22,893
Telephone and mobiles	140	19,528	853	-	20,521	18,361
Translation and interpretation	-	6,459	-	-	6,459	36,809
Travel and subsistence	330	12,330	8,638	-	21,298	17,913
Wages and salaries	652,699	1,370,182	268,097	-	2,290,978	2,273,976
	<u>1,315,933</u>	<u>3,423,856</u>	<u>454,326</u>	<u>13,983</u>	<u>5,208,098</u>	<u>5,264,356</u>

THE NATIONAL BOTANIC GARDEN OF WALES
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7. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Costs have been expended from the following categories:

	2023	2022
	£	£
Middleton Garden Limited	1,185,516	1,184,602
Horticulture	446,278	459,159
Education	126,465	74,795
Admission and membership	148,946	146,640
Operations and central	1,448,700	1,088,770
Fundraising and events	205,754	145,133
Science	90,747	94,864
Interpretation	27,458	32,673
Restricted funds	1,528,234	2,037,720
	<u>5,208,098</u>	<u>5,264,356</u>

8. NET INCOME FOR THE YEAR

Net income for the period was stated after charging:

	2023	2022
<u>Group</u>	£	£
Auditors remuneration:		
Audit fees	12,983	11,028
Accountancy services	1,000	1,000
Depreciation	1,006,996	989,624
Operating leases	14,362	10,505
	<u>1,035,341</u>	<u>1,012,157</u>

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	Total	Total
	2023	2022
	£	£
Wages and salaries	2,236,561	2,015,002
Freelance and contracted labour	49,400	60,460
Social security costs	153,346	128,359
Pension costs (defined contribution scheme)	71,095	70,156
	<u>2,510,402</u>	<u>2,273,977</u>

THE NATIONAL BOTANIC GARDEN OF WALES
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9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

The number of employees whose annual remuneration was £60,000 or more were:

	Total 2023 £	Total 2022 £
£70,000 - £79,999	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Number of staff to whom benefits are accruing:

	Total 2023 £	Total 2022 £
Key management personnel	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Employer pension contributions for the above employee totalled £9,694 (2022: £4,789).

Key management personnel

The key management personnel of the charity and the group, as noted in the trustees' report, received benefits (including gross salary, employer's national insurance contributions and employer's pension contributions) of £304,952 (2022: £397,197).

Redundancy and termination payments

During the year, no termination payments were made (2022: £23,206). There were no amounts outstanding at the current or prior year end.

Transactions with trustees.

No trustee was remunerated or was reimbursed for expenses during the current or prior year.

Transactions with Trading Subsidiary

Middleton Garden Limited is the charity's wholly owned subsidiary.

The following transactions between the two organisations are noted below:

Related Party transactions:

During the year the charity charged Middleton Garden Limited £118,556 (2022: £114,914) in management fees.

During the year Middleton Garden Limited gifted the charity £64,325 (2022: £84,879).

As at 31 March 2023 Middleton Garden Limited owed the charity £93,501 (2022: £51,972).

THE NATIONAL BOTANIC GARDEN OF WALES
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FOR THE YEAR ENDED 31 MARCH 2023

10. STAFF NUMBERS

Group

The average number of staff employed by the group during the year was as follows:

2023	2022
No.	No.
114	113
114	113

The average number of full-time equivalent employees employed during the year was as follows:

	2022	202
	No.	No.
Charitable activities	70	78
Fundraising activities	1	1
Management and administration	14	12
	85	91

11. DEFINED CONTRIBUTION PENSION SCHEMES

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Pension costs are allocated to activities in proportion to the related staffing costs incurred.

The charge to the profit or loss in respect of defined contribution schemes was £71,095 (2022: £70,156).

There were no amounts outstanding as at 31 March 2023, (2022: £ nil).

THE NATIONAL BOTANIC GARDEN OF WALES
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12. TANGIBLE FIXED ASSETS

Group	Land and buildings £	Plant and machinery £	Fixtures, fittings, vehicles and plants £	Total £
Cost				
At 1 April 2021	30,078,115	9,574,499	2,340,826	41,993,440
Additions	1,291,354	160,500	109,211	1,561,065
Disposals	(31,256)	(57,638)	(97,562)	(186,456)
At 31 March 2023	<u>31,338,213</u>	<u>9,677,361</u>	<u>2,352,475</u>	<u>43,368,049</u>
Depreciation				
At 1 April 2021	10,262,676	4,916,496	974,519	16,153,691
Charge for the year	500,378	425,350	81,268	1,006,996
Disposals	(5,272)	(48,305)	(88,493)	(142,070)
At 31 March 2023	<u>10,757,782</u>	<u>5,293,541</u>	<u>967,294</u>	<u>17,018,617</u>
Net book value				
At 31 March 2023	<u>20,580,431</u>	<u>4,383,820</u>	<u>1,385,181</u>	<u>26,349,432</u>
At 31 March 2022	<u>19,815,439</u>	<u>4,658,003</u>	<u>1,366,307</u>	<u>25,839,749</u>
Charity				
Cost				
At 1 April 2022	30,078,115	9,562,151	2,337,314	41,977,580
Additions	1,291,354	160,500	109,211	1,561,065
Disposals	(31,256)	(57,638)	(97,562)	(186,456)
At 31 March 2023	<u>31,338,213</u>	<u>9,665,013</u>	<u>2,348,963</u>	<u>43,352,189</u>
Depreciation				
At 1 April 2021	10,262,676	4,908,631	974,107	16,145,414
Charge for the year	500,378	422,533	81,268	1,004,179
Disposals	(5,272)	(48,305)	(88,493)	(142,070)
At 31 March 2023	<u>10,757,782</u>	<u>5,282,859</u>	<u>966,882</u>	<u>17,007,523</u>
Net book value				
At 31 March 2023	<u>20,580,431</u>	<u>4,382,154</u>	<u>1,382,081</u>	<u>26,344,666</u>
At 31 March 2022	<u>19,815,439</u>	<u>4,653,520</u>	<u>1,363,207</u>	<u>25,832,166</u>

THE NATIONAL BOTANIC GARDEN OF WALES
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FOR THE YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS (continued)

	2023	2022
	£	£
NBV of assets under finance leases	3,270,400	3,539,200
Depreciation on the above	268,800	268,800
Total of assets funded by restricted reserves	<u>19,758,958</u>	<u>20,790,032</u>

13. TRADING SUBSIDIARY

Name of subsidiary:	Middleton Garden Limited
Company Number:	3080697
Company Registration:	England and Wales
Registered Office:	Same as parent charity
Activities:	Trading enterprise encompassing: Livestock sales, retail sales, restaurant, café, plant sales, corporate hire and hospitality
Investment Value:	£1
Holding:	100%
Share Type:	Ordinary

	2023	2022
	£	£
Profit and Loss Account		
Turnover	1,366,911	1,267,665
Expenditure	<u>(1,304,072)</u>	<u>(1,184,589)</u>
Operating profit	<u>62,839</u>	<u>83,076</u>
Statement of Changes in Equity		
Balance brought forward	6,966	8,769
Profit and total comprehensive income for the period	62,839	83,076
Distributions to parent charity under gift aid	<u>(65,655)</u>	<u>(84,879)</u>
Balance carried forward	<u><u>4,149</u></u>	<u><u>6,966</u></u>
Capital and Reserves:		
Reserves	4,148	6,965
Share capital	<u>1</u>	<u>1</u>
	<u><u>4,149</u></u>	<u><u>6,966</u></u>

THE NATIONAL BOTANIC GARDEN OF WALES
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FOR THE YEAR ENDED 31 MARCH 2023

14. STOCK

	Total 2023 £	Total 2022 £
<u>Group</u>		
Stock	<u>170,875</u>	<u>124,597</u>
	<u>170,875</u>	<u>124,597</u>
<u>Charity</u>		
Stock	<u>17,802</u>	<u>16,262</u>
	<u>17,802</u>	<u>16,262</u>

15. DEBTORS

	Total 2023 £	Total 2022 £
<u>Group</u>		
Trade debtors	33,363	22,266
Prepayments	79,528	107,823
Other debtors	<u>389,570</u>	<u>311,048</u>
	<u>502,461</u>	<u>441,137</u>
<u>Charity</u>		
Trade debtors	27,994	22,266
Prepayments	79,528	107,823
Other debtors	389,571	311,048
Amounts owed by group undertakings	<u>96,316</u>	<u>51,972</u>
	<u>593,409</u>	<u>493,109</u>

THE NATIONAL BOTANIC GARDEN OF WALES
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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Total 2023 £	Total 2022 £
<u>Group</u>		
Bank loans and overdrafts	19,225	13,000
Trade creditors	798,792	452,270
Deferred income	8,348	40,040
Accruals	193,387	502,511
Taxation and social security	31,697	-
Other creditors	204	12,389
	<u>1,051,653</u>	<u>1,020,210</u>
<u>Charity</u>		
Bank loans and overdrafts	19,225	13,000
Trade creditors	739,822	392,861
Deferred income	8,348	40,040
Accruals	187,243	502,511
Taxation and social security	31,697	-
Other creditors	205	12,389
	<u>986,540</u>	<u>960,801</u>

Deferred Income relates to:

Deferred income relates to rental income and grants received in advance relating to the 2023/24 financial year.

Movement in deferred income

	2023 £	2022 £
<u>Group</u>		
Balance at the start of the reporting period	40,040	466
Amounts added in current period	34,511	81,941
Amounts released to income from previous periods	(66,203)	(42,367)
Balance at the end of the reporting period	<u>8,348</u>	<u>40,040</u>
<u>Charity</u>		
Balance at the start of the reporting period	40,040	466
Amounts added in current period	34,511	81,941
Amounts released to income from previous periods	(66,203)	(42,367)
Balance at the end of the reporting period	<u>8,348</u>	<u>40,040</u>

THE NATIONAL BOTANIC GARDEN OF WALES
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17. CREDITORS: AMOUNT FALLING DUE AFTER ONE YEAR

<u>Group & Charity</u>	Total 2023 £	Total 2022 £
Loans	55,000	85,685
	<u>55,000</u>	<u>85,685</u>

The balance can be broken down as follows:

Less than one year	19,225	13,000
Between 2 and 5 years	55,000	85,685
	<u>74,225</u>	<u>98,685</u>

Loans included in the above include £68,000 (2022: £80,000) due to Welsh Government which is due to be repaid in 2027 and has no interest attached to it and £6,225 (2022: £18,685) due to The Esme Fairburn Foundation which is due to be repaid in 2023 and carries a 6% interest charge.

18. ASSETS OF THE CHARITY CHARGED TO MEET ITS LIABILITIES

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

	Total 2023 £	Total 2022 £
Amount secured is estimated to be:	<u>19,758,958</u>	<u>20,790,032</u>

The garden entered into a legal charge in 2018 with The National Lottery Heritage Fund to secure all monies and liabilities owed to it at any one time, up to £3.6m.

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19. RESTRICTED FUNDS

	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2023
Group and charity	£	£	£	£	£
Apprenticeship Scheme	104,595	26,200	(61,692)	1,396	70,499
Brilliant Basics Fund	15,493	14,852	(2,775)	(27,570)	-
Caru Natur Cymru'/Biophilic Wales Project	150,204	(85,061)	(50,431)	(4,004)	10,708
Archives fund	-	1,000	(895)	-	105
Fixed Asset Fund	20,790,032	1,325,000	(1,046,962)	(1,309,112)	19,758,958
Flourish fund	12,318	-	(10,400)	-	1,918
Grantscape	(1,916)	-	(8,681)	617	(9,980)
Growing the Future	54,738	139,092	(196,053)	(35,532)	(37,755)
Postcode Lottery	12,959	-	(7,101)	(1,399)	4,459
Regency Restoration Fund	(134,254)	241,314	(107,356)	196,962	196,666
Sustainable Management Scheme	110,398	(43,337)	-	(67,061)	-
Leader 2022	-	-	(18,163)	4,656	(13,507)
Feasibility Studies	-	19,000	-	-	19,000
National Forest for Wales Project	-	-	(17,725)	-	(17,725)
Conserving Welsh Plants	-	20,000	-	-	20,000
	<u>21,114,567</u>	<u>1,658,060</u>	<u>(1,528,234)</u>	<u>(1,241,047)</u>	<u>20,003,346</u>

Apprenticeship Scheme – This scheme funds apprenticeship placements for horticultural trainees. It is supported by a combination of private donations and the National Garden Scheme.

Brilliant Basics Fund

This is a grant received from Visit Wales via Welsh Government to fund improved visitor facilities through the provision of Changing Places toilets, improving existing toilets and installing a new accessible family & disabled changing facility.

Caru Natur Cymru'/Biophilic Wales Project - Our 'Caru Natur Cymru'/Biophilic Wales project ceased in March 2022 but was extended for a year with funds from the Swansea Bay University Health Board. It aimed to increase the well-being of people, biodiversity and the environment within the health board area creating nature themed green spaces.

Archives fund – This represents donations received to support the maintenance of the Garden's archive and volunteer archives group.

Fixed Asset Fund - The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'. Restricted fixed asset fund relate to the purchase, development and maintenance of the botanic garden. The Millennium Commission supported the project by approving grants for £22.3m and the European Regional Development Fund by £6.3m. The Welsh Government (including funds from Welsh Development Agency and Wales Tourist Board) also provided restricted grant funding of £4.8m.

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19. RESTRICTED FUNDS (continued)

Flourish Fund

This award from the RHS helped to build on our existing education, training and apprenticeship opportunities, in particular developing a new pathway into our horticulture apprenticeship scheme whilst linking with new and diverse audiences.

Grantscape Fund

This grant is from Welsh Government 's Landfill Disposal Tax Community Scheme 2020-21 and will enable the Garden to improve the condition of its hay meadow habitat on the Waun Las National Nature Reserve and showcase how nature and farming can work in harmony.

Growing the Future – This is a five-year Welsh Government Rural Communities – Rural Development Programme 2014-2020 project designed to promote Welsh horticulture, plants for pollinators, protection of wildlife and the virtues of growing food for health and well-being. It is funded by the European Agricultural Fund for Rural Development and Welsh Government.

Postcode Lottery Fund– This project supports the delivery of horticultural and outdoor courses for health and well-being as part of our education programme.

Regency Restoration – This 7 year-long project restored the Garden's historic parkland to its original 19th century Regency waterpark landscape and was completed in June 2022. The Garden now features a necklace of seven lakes, cascades, falls and weirs created more than 200 years ago, together with a Regency planting scheme which formed the heart of its parkland. It was funded by the Heritage Lottery Fund, Garfield Weston Foundation, Monument Trust, The Mercers' Company, Welsh Government, Esmee Fairbairn Trust, Patsy Wood Trust and other generous donations. The balance of the fund aims to support the management and maintenance of the area and employ a heritage officer to safeguard the historic assets of the Garden.

Sustainable Management Scheme – This is a Welsh Government Rural Communities – Rural Development Programme 2014 – 2020 funded project which ceased activity in January 2022. Known as the Dyffryn Tywi – Tirwedd Hanes Ein Bro project it aimed to establish a strategic, landscape-scale collaborative approach to sustainable management of the historic landscape character of the Tywi Valley.

Leader 2022 - The objective of this 12-month LEADER funded project was to pilot the use of digital technology in the form of GIS (Geographical Information Systems) resources to help support tourism in the Tywi Valley.

Feasibility Study – This study aims to establish the feasibility of establishing a sculpture trail within the Garden, funded by the Mosawi Foundation, Colwinston Charitable Trust and Waterloo Foundation.

National Arboretum for Wales/Coedfa Genedlaethol Cymru – This project aims to create a nationally important arboretum that engages with all visitors, inspires new communities and audiences and delivers a key learning and conservation resource. A fundraising campaign will support the delivery of this major project, which will take several years to complete. The Garfield Weston Foundation have agreed to fund the initial design stages of the project.

Conserving Welsh Plants - This represents a donation received to enhance our Conserving Welsh Plants display.

Transfers – relate to capital movement on the fixed asset fund comprising restricted fund capital expenditure and other items allocated to unrestricted funds.

THE NATIONAL BOTANIC GARDEN OF WALES
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19. RESTRICTED FUNDS (continued)

Previous year

	Balance at 1 April 2021	Income	Expenditure	Transfers	Balance at 31 March 2022
Group and charity	£	£	£	£	£
Fixed Asset Fund	21,746,832	1,725,000	(954,716)	(1,727,084)	20,790,032
Growing the Future	461,281	(31,355)	(372,158)	(3,030)	54,738
Regency Restoration	(56,781)	138,228	(168,651)	(47,050)	(134,254)
Apprenticeship Scheme	107,307	47,000	(49,712)	-	104,595
The Waterloo Foundation / Borneo	2,240	-	-	(2,240)	-
Welsh Government - Sundry	2,750	-	-	(2,750)	-
Caru Natur Cymru'/Biophilic Wales Project	44,900	355,181	(240,859)	(9,018)	150,204
Postcode Lottery	17,801	-	(4,842)	-	12,959
Sustainable management scheme	158,802	219,034	(229,628)	(37,810)	110,398
Brilliant Basics Fund	-	65,148	-	(49,655)	15,493
Coronavirus Job Retention Scheme	-	14,140	(14,972)	832	-
Grantscape	-	39,920	-	(41,836)	(1,916)
RHS Flourish Fund	-	14,500	(2,182)	-	12,318
	<u>22,485,132</u>	<u>2,586,796</u>	<u>(2,037,720)</u>	<u>(1,919,641)</u>	<u>21,114,567</u>

20. DESIGNATED FUNDS

	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2023
Group and Charity	£	£	£	£	£
General fund	125,000	-	-	75,000	200,000
Property asset development fund	54,835	-	-	(54,835)	-
Project development fund	95,165	-	-	(95,165)	-
	<u>275,000</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>200,000</u>

General fund – this fund has been set aside to meet additional costs arising from the cost of living crisis.

Project development fund -this was established in order to meet the costs of future feasibility studies, provide initial project seed money, including providing match funding for new and/or ongoing projects. As at 31 March 2023, this fund was utilised and no longer required.

Property asset development fund – this was created to contribute towards planned capital infrastructure costs with an aim of improving the facility and/or increasing commercial returns. As at 31 March 2023, this fund was utilised and now not required.

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. UNRESTRICTED FUNDS

Group	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
General unrestricted funds	5,797,728	3,673,548	(3,679,864)	1,316,047	7,107,459
Designated funds	275,000	-	-	(75,000)	200,000
	<u>6,072,728</u>	<u>3,673,548</u>	<u>(3,679,864)</u>	<u>1,241,047</u>	<u>7,307,459</u>

Charity

General unrestricted funds	5,790,761	2,291,773	(2,295,276)	1,316,047	7,103,305
Designated funds	275,000	-	-	(75,000)	200,000
	<u>6,065,761</u>	<u>2,291,773</u>	<u>(2,295,276)</u>	<u>1,241,047</u>	<u>7,303,305</u>

Previous year

Group	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
General unrestricted funds	3,824,623	3,555,100	(3,226,636)	1,644,641	5,797,728
Designated funds	-	-	-	275,000	275,000
	<u>3,824,623</u>	<u>3,555,100</u>	<u>(3,226,636)</u>	<u>1,919,641</u>	<u>6,072,728</u>

Charity

General unrestricted funds	3,815,810	2,374,147	(2,043,837)	1,644,641	5,790,761
Designated funds	-	-	-	275,000	275,000
	<u>3,815,810</u>	<u>2,374,147</u>	<u>(2,043,837)</u>	<u>(1,919,641)</u>	<u>6,065,761</u>

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Designated funds	Restricted funds	Total 2023
<u>Group</u>	£	£	£	£
Fixed assets	6,590,474	-	19,758,958	26,349,432
Net current assets	571,985	200,000	244,388	1,016,373
Long term liabilities	(55,000)	-	-	(55,000)
	<u>7,107,459</u>	<u>200,000</u>	<u>20,003,346</u>	<u>27,310,805</u>

Charity

Fixed assets	6,585,708	-	19,758,958	26,344,666
Investments	1	-	-	1
Net current assets	572,596	200,000	244,388	1,016,984
Long term liabilities	(55,000)	-	-	(55,000)
	<u>7,103,305</u>	<u>200,000</u>	<u>20,003,346</u>	<u>27,306,651</u>

Previous year

	Unrestricted funds	Designated funds	Restricted funds	Total 2022
<u>Group</u>	£	£	£	£
Fixed assets	5,049,717	-	20,790,032	25,839,748
Net current assets	833,696	275,000	324,535	1,433,231
Long term liabilities	(85,685)	-	-	(85,685)
	<u>6,072,728</u>	<u>275,000</u>	<u>21,114,567</u>	<u>27,187,295</u>

Charity

Fixed assets	5,042,134	-	20,790,032	25,832,166
Investments	1	-	-	1
Net current assets	834,311	275,000	324,535	1,433,846
Long term liabilities	(85,685)	-	-	(85,685)
	<u>6,066,761</u>	<u>275,000</u>	<u>21,114,567</u>	<u>27,180,328</u>

23. ULTIMATE CONTROLLING PARTY

The charity is under the control of its legal members.

Every member of the charity is obliged to contribute such amount as may be required not exceeding £1 to the assets of the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

**THE NATIONAL BOTANIC GARDEN OF WALES,
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. OPERATING LEASE COMMITMENTS

The following operating leases were in place as at 31 March 2023:

<u>Group</u>	Total 2023 £	Total 2022 £
Within one year	14,172	10,505
Within two to five years	25,509	11,284
	39,681	21,789
<u>Charity</u>		
Within one year	-	-
Within two to five years	-	-
	-	-

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

<u>Group</u>	2023 £	2022 £
Net income for the reporting period	123,510	877,540
<i>Adjustments for:</i>		
Depreciation charges	1,006,996	989,624
Loss/(gain) on disposal	32,748	8,463
(Increase) / decrease in stocks	(46,278)	(24,090)
(Increase) / decrease in debtors	(61,324)	280,281
Decrease in creditors	25,218	283,238
Dividends, interest and rents from investments	(11,030)	(2,737)
Net cash provided by operating activities	1,069,840	2,412,319
<u>Analysis of Cash and Cash Equivalents</u>		
Cash in hand	1,394,690	1,887,707
Total Cash and Cash Equivalents	1,394,690	1,887,707

Analysis of changes in net funds

	At 1 April 2022 £	New finance £	Cash flows £	As at 31 March 2023 £
Cash	1,887,707	-	(493,017)	1,394,690
Loans falling due within one year	(13,000)	-	(6,225)	(19,225)
Loans falling due after more than one year	(85,685)	-	30,685	(55,000)
	1,789,022	-	(468,557)	1,320,465

THE NATIONAL BOTANIC GARDEN OF WALES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

26. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Income and endowments from:			
Donations and legacies	748,755	24,220	772,975
Charitable activities	1,652,675	2,558,196	4,210,871
Investment income	2,737	-	2,737
Other trading activities	1,150,933	4,380	1,155,313
Total income and endowments	3,555,100	2,586,796	6,141,896
Expenditure on:			
Raising funds	1,075,336	-	1,075,336
Charitable activities	2,151,300	2,037,720	4,189,020
Total expenditure	3,226,636	2,037,720	5,264,356
Net income/(expenditure)	328,464	549,076	877,540
Transfers between funds	1,919,641	(1,919,641)	-
Net movement in funds	2,248,105	(1,370,565)	877,540
Reconciliation of Funds			
Total funds brought forward	3,824,623	22,485,132	26,309,755
Total funds carried forward	6,072,728	21,114,567	27,187,295

27. RESULTS OF THE PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income and expenditure of the parent company is not presented as part of these financial statements. The parent company's surplus for the financial period was £216,323 (2022: surplus of £330,310).