



Annual Report and Consolidated Financial Statements

1 February 2020 – 31 January 2021

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* These sections form part of the Trustees' Annual Report

Front cover: the myriad alternatives to box (*Buxus*) hedging as being grown and evaluated at RHS Garden Wisley, Surrey.

Governance

Patron

HM The Queen

Presidents Emeritus

Sir Nicholas Bacon Bt OBE DL (from 31 July 2020)
Mrs Elizabeth Banks DL CMLI
Sir Richard Carew Pole Bt OBE VMH DL
Mr Giles Coode-Adams OBE VMH DL
Mr Robin Herbert CBE VMH

Vice Presidents

Ms Rosie Atkins
Mr Michael Balston
Mr Lawrence Banks CBE VMH DL
Baroness Floella Benjamin DBE DL
Mr Christopher Brickell CBE VMH
Count Andre de Kerchove de Denterghem
Mr Raymond Evison OBE VMH
Mr Mark Fane (appointed July 2020)
Mr Jim Gardiner VMH
Ms Rosy Hardy (appointed July 2020)
The Rt Hon The Lord Heseltine CH PC
Mr Robert Hillier OBE VMH
Professor Brian Huntley
Mr Roy Lancaster CBE VMH
Mrs Jekka McVicar VMH
Mr Sandy Muirhead (appointed July 2020)
Dr H F Oakeley VMH
Mrs Jane Pepper
Mr Douglas Philip
Mr John Ravenscroft VMH
Mr John Sales VMH
Mrs Prunella Scarlett
Mr Tom Stuart-Smith
Vicomte Philippe de Spoelberch
Dr Kiat Tan
Mr Alan Titchmarsh MBE VMH DL
Mr Richard Webb VMH DL

Council

Sir Nicholas Bacon Bt OBE DL (retired 31 July 2020)
Mr Keith Weed CBE (elected as President from 31 July 2020)
Mr Matthew Lindsey-Clark (re-elected as Treasurer 31 July 2020)
Mr James Alexander-Sinclair
Professor Mick Crawley (re-elected 31 July 2020)
Mr Nicholas Dunn VMH
Ms Sarah Eberle
Mr Dennis Espley
Professor Peter Gregory (retired 31 July 2020)
Ms Kate Lampard
Mr Neil Lucas
Ms Lorna Parker
Mr Mark Porter
Dr David Rae (re-elected 31 July 2020)
Mrs Sarah Raven
Lady Xa Tollemache
Ms Janet Walker (elected 31 July 2020)
Mr Jon Wheatley
Mrs Ruth Willmott

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Registered Charity number 222879 (England and Wales) and SC038262 (Scotland)

Reflections on 2020

Keith Weed, RHS President, reviews the challenges and silver linings of a most unusual year in gardening



I was delighted to become RHS President at the 2020 AGM, following Sir Nicholas Bacon. He did a tremendous job during his seven-year tenure, helping to steer this 216-year-old organisation so it continues to develop and be relevant to all gardeners today. 2020 was an extraordinary year and undoubtedly one of the most challenging in the Society's recent history. The Covid-19 pandemic meant we had to cancel all RHS Flower Shows and events, close RHS Gardens for nine weeks and postpone some community initiatives. This had a significant financial impact on the Society but, thanks to the support of members, donors and volunteers, the RHS has been able to continue investment in scientific research, support community and school gardeners, maintain its vital collections, and continue to train the next generation of skilled horticulturists.

With the challenges of the pandemic, time spent taking solace in plants, gardens and enjoying the natural world provided hope and mental wellbeing to so many. During 2020, millions of people began gardening for the first time and the RHS delivered gardening advice to more than 30 million people who visited our website. We supported new and existing gardeners with extra advice articles, videos, supplements and emails to help them 'Grow at Home'. With the industry's Ornamental Horticulture Roundtable Group, we and other partners lobbied the Government to allow garden centres to be considered essential retailers. Buying plants, trees and seeds to keep gardens growing and looking beautiful as well as productive has been a lifeline for many people, and we are proud of this collective achievement. The role that plants and gardens can play to fight climate change, increase biodiversity and contribute to a more sustainable future should not be underestimated.

In June 2020 we reopened RHS Gardens offering members and visitors a place to enjoy fresh air and exercise, and be uplifted by outstanding planting and horticulture. This continued into winter with our evening illuminated 'Glow' walks at Wisley, Hyde Hall, Rosemoor and Harlow Carr. The pandemic forced us to delay the opening of our fifth garden RHS Garden Bridgewater in Salford but, with social distancing and in line with Government restrictions, work and planting continued apace.

The first RHS Virtual Chelsea Flower Show and RHS Tatton Park at Home online events were a great success, bringing gardening inspiration into people's homes across the world and supporting the British nursery trade when our physical shows couldn't be staged. The interest generated among a younger audience was especially welcome and something we will continue to build on. We are grateful to the many generous people who, rather than take a refund on their RHS Flower Show tickets, donated it to the RHS to support our work to educate the next generation of gardeners.

Up and down the UK, communities pulled together to help those who were vulnerable or in need. Although we couldn't present the annual awards last year, RHS Britain in Bloom and It's Your Neighbourhood groups did sterling work to boost morale and share the joy of plants in their communities.

It is inspiring to see the many positive ways gardening has supported health and wellbeing, and we will continue to work so that millions more people can benefit in future.

A stylized signature of Keith Weed CBE.

Keith Weed CBE,
RHS President



RHS Gardens have provided solace and enjoyment to hundreds of thousands of people when opportunities to get out and about have been limited. The opening of RHS Garden Bridgewater in Salford (above) this year will mean even more people can benefit from plants and gardening.

Plans for the future

Sue Biggs, RHS Director General, looks to the future for the RHS in a world where the value of gardening and plants is increasingly important



It is stating the obvious that this has been an incredibly difficult year for all of us. Thankfully our gardens, plants and all the wonders of nature have provided much-needed respite and hope for thousands of people. With the help of our members, donors and supporters we continue to encourage more people to garden as an essential way of life, finding joy and looking after their health and wellbeing.

Our new President Keith Weed brings a wealth of experience and we will be working together on key areas of focus for 2021, including environmental sustainability, increasing our community outreach and making the RHS an even more accessible and relevant charity to everyone.

At last, summer 2021 marks the opening of RHS Garden Bridgewater in Salford. This truly remarkable garden will bring decades of inspiration and joy for people in the North West and beyond. The Weston Walled Garden is spectacular and the Community Wellbeing Garden will provide a welcome hub for people to take part in therapeutic activities and benefit from the healing effects of nature, as will a walk around the rest of the gardens.

The June opening of RHS Hilltop – The Home of Gardening Science at RHS Garden Wisley, Surrey, brings an interactive exhibition and three new gardens to inspire the next generation of gardeners and scientists. Visitors can learn how growing plants supports the health of people, wildlife and the environment, and see RHS scientists at work. This is one of the seven key investment projects in our 10-year, £160 million investment programme to enrich everyone's life through plants. At RHS Garden Wisley work is under way to reveal the beautiful Arts and Crafts-style Laboratory building as an exhibition gallery. For the first time in more than 100 years it will be open for the public to enjoy and learn about the history of the RHS and horticultural science. Although we are delighted to have reached £34 million of our £40 million fund-raising target, we still need more support from donors and funders to raise £6 million. We can then expand the educational and community outreach facilities RHS Garden Harlow Carr, North Yorkshire.

We are planning the welcome return of RHS Flower Shows at Hampton Court Palace and Tatton Park in July 2021, and RHS Chelsea Flower Show in September 2021, where any measures needed will be in place to make it safe for everyone. For those who couldn't wait that long, we welcomed digital audiences again to RHS Virtual Chelsea Flower Show in May, full of practical help, inspiration and ideas.

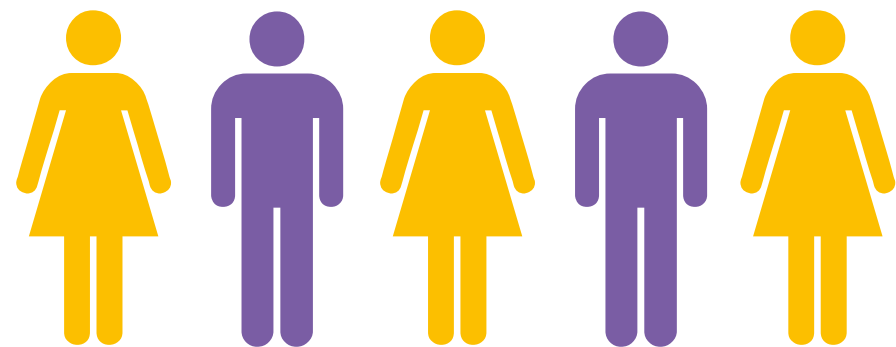
Our partnership with the NHS continues and we are excited with plans to relocate the RHS/NHS garden from this year's RHS Chelsea Flower Show to a Kent mental health unit. We know it will bring happiness to staff and hasten the recovery of patients. In a year when the NHS has done so much to help us all, it's fitting that this is happening – a huge thank you to everyone in the NHS and other key workers for keeping us all going during this challenging year.

The future of horticulture lies in the hands of the talented people working within it and we continue to work with the industry to close the widening skills gap. Covid-19 may have inadvertently encouraged more of us to grow at home, so we look forward to welcoming even more people and career-changers into the incredible world of gardening and horticulture.

A stylized signature of Sue Biggs CBE.

Sue Biggs CBE,
RHS Director General

PEOPLE



30 million
gardeners

521,132
RHS members

3 million
people new to
gardening in 2020

The difference we made in 2020

Like every charity, business and organisation, 2020 was a year of obstacles and challenges. We faced a £40m reduction in revenue as a result of the Covid-19 pandemic which forced our gardens to close for three months and our flower shows to be cancelled. But as a result of people spending more time at home and in their gardens we recorded a huge uptake in our digital engagement and stability in membership numbers – this enabled us to forge ahead with our charitable objectives.

FIRST YEAR OF RHS VIRTUAL CHELSEA FLOWER SHOW

7,600
entries to BBC
The One Show
and RHS My
Chelsea Garden
competition

People from
138
countries enjoyed
Virtual Chelsea

28%
of the audience
was younger than
35 years of age



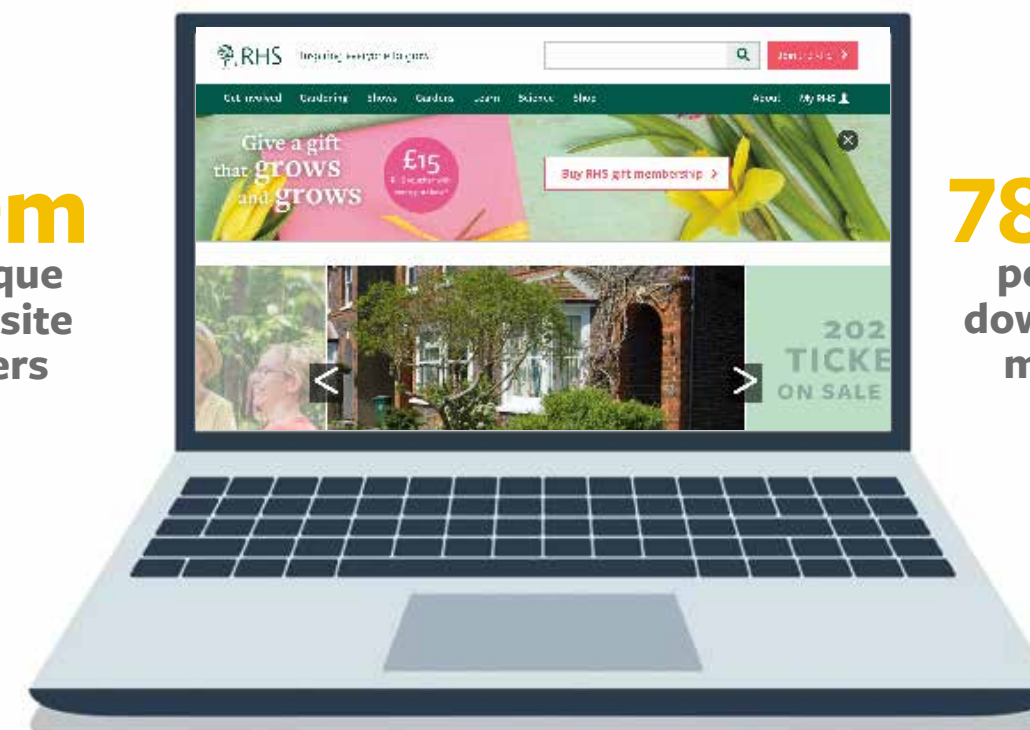
CONNECTING DIGITALLY

42%
growth across
five social media
platforms

200%
increase to the
Grow Your Own
pages of our
website

199,200
hours of watch time
on RHS YouTube
channel

30m
unique
website
users



78,000
podcasts
downloaded
monthly

KEEPING IN TOUCH

54.5 million
total use of all our
gardening advice

20 weeks
of continuously updated
content for the Grow at
Home web pages



485% increase in
non-members signing up
for email newsletters

14.3 million
newsletters sent by
email in 2020

Continuing to bring our Vision to life

The RHS passionately believes in the power of plants, people and the planet, and our Vision is to enrich everyone's life through plants. We continue to grow our membership, invest in our work and broaden our reach to improve everyone's access to plants and the environment. Through the hard work and perseverance of our dedicated staff, even during Covid-19 restrictions we managed to keep busy...

Gardening indoors

We helped promote the popularity of house plants and encourage more people to care for plants indoors with the Giant Houseplant Takeover display. In The Glasshouse, staff at RHS Garden Wisley used a rich array of house plants to dress rooms inspired from a Victorian house.



Bringing our science to life

Even though Covid-19 meant our gardens were closed for some time, and social distancing remained, we were able to progress building RHS Hilltop – The Home of Gardening Science ready for opening in summer 2021. Based at RHS Garden Wisley, it is the only centre of its kind devoted to science and research of garden and ornamental plants.



Enriched welcome in Salford

The delayed opening of RHS Garden Bridgewater by a year did have a silver lining. It gave us the opportunity to put more plants into the ground and extra time for those already planted to become established. The garden looked fresher and even better for its opening on 18 May 2021.



Sharing for the community

An inner courtyard at the Chelsea and Westminster Hospital, London was wholly transformed with multi-stemmed trees, dramatic topiary and scented perennials grown for 'The AMAFFI Garden', which had been designed for the cancelled RHS Chelsea Flower Show. Designer and RHS Ambassador Jamie Butterworth repurposed the garden so it could be enjoyed all year round by staff, patients and their families.

Making connections

We want people to be inspired and motivated to grow plants, as well as growing their knowledge. This will help us all make the UK and our planet a greener and more beautiful place.

The show must go on

With the cancellation of RHS Flower Shows due to the pandemic, our digital platforms really came to the fore. Despite having just seven weeks notice, we created RHS Virtual Chelsea, a celebration of horticulture and gardening, bringing inspiration and enjoyment to people in 138 different countries throughout the normal 'Chelsea week' in May.

A fascinating mix of bespoke videos, practical demonstrations and inspirational articles were unveiled daily. Designers took viewers behind the scenes into their private gardens, from Monty Don feeding his chickens, to Kazuyuki Ishihara's tour of his exquisite garden in Japan. Plants were of course the stars of the show, as well as with growers sharing video tours of their nurseries and plants, and practical demonstrations on a range of topics.

To support the horticultural industry, nurseries had a dedicated, special web page so visitors could buy plants and continue to support British horticulture. RHS Virtual Chelsea provided more than 10 hours of videos, a special podcast and more than 40 articles. It was a timely and important tonic to the dark days of lockdown.



Garden inspiration

Nothing beats walking around a garden in person, admiring the views, scents and colours, but for many this was not possible over the first national lockdown.

We didn't want people to miss out on these seasonal changes (our gardens were closed from the end of March until the beginning of June) so we kept everyone updated with images and videos of plants in flower. This helped people be inspired by late-spring and early-summer displays wherever they were in the world. Thankfully, after nine weeks we opened the gates and again welcomed members and local visitors to our four gardens. This was a great benefit to health, fitness and mental wellbeing, and allowed visitors to get first-hand inspiration and ideas.

RHS Gardens have remained open since then, giving local visitors a vital place in which to visit, relax and learn.



Keeping in touch

It is estimated that 30 million people now do some form of gardening – with an additional 3m people taking it up in 2020. To give everyone encouragement and support to grow beautiful flowers and tasty edibles while staying at home we launched Grow at Home. This initiative made our world-class practical and inspirational advice even more accessible to everyone through our website, email communication and social media channels. We sent out 14.3 million newsletters via email (with a very high opening rate), covering 60 gardening topics from planting seeds to making a wildlife pond, so anyone could make the most of their much-valued outdoor spaces.

Newsletters to RHS members and podcasts increased from monthly to weekly during lockdowns, and for non-members from monthly to fortnightly. Demand for this newsletter information from non-members increased dramatically: growing from 47,000 to 275,000 subscribers in less than a year.

THE DIFFERENCE WE MADE IN 2020

COMMUNITIES

Through RHS Affiliated Societies, which supports 2,700 gardening clubs, community groups and horticultural societies, the RHS Grenfell and the RHS Banksian Medals were given to those who went the extra mile in support of their local communities.

COMMUNICATIONS

Our gardening podcasts offered in-depth, original information with the bonus of hearing friendly voices when human contact was limited. In 2020 we had more than 1 million listens and the frequency of podcasts rose from fortnightly to weekly.

GARDENS

To tap into the ongoing popularity of house plants, the Giant Houseplant Takeover (25 Jan–1 Mar 2020) in The Glasshouse at RHS Garden Wisley, re-created rooms from a Victorian house overrun by plants. It inspired visitors to buy their own plants – resulting in the Garden Centre recording an increase in sales of 118 percent.

FUNDRAISING

We gratefully received a £4m National Lottery Heritage Fund grant, which contributed to the creation of RHS Hilltop – The Home of Gardening Science so everyone can benefit from our science and collections.

GARDENS

RHS Garden Rosemoor in Devon celebrated 30 years as an RHS Garden and opened its revamped Garden Centre.

COLLECTIONS

Members continued to enjoy the treasures of the RHS Lindley Library through new online monthly exhibitions. They included Worth a Thousand Words, a collection of contemporary botanical illustrations.

PLANTS

Plant enthusiasts visiting RHS Garden Wisley can now share the beauty of 23 Australian bottlebrush plants (*Callistemon*) donated by Fibrex Nurseries, Stratford-upon-Avon, and 21 Wollemi pines (six of which were gifted), which have been added to the collections.

To improve the health of plants, people and the environment through sustainable gardening

Caring for our environment

To improve the health of people, plants and the planet, we continue to advance horticultural science and safeguard collections for the future generation

Positive power of plants

Seasoned gardeners intrinsically know that gardening is good for them – it is something that just feels right. But we wanted to prove why this was this case. As a result, through targeted research in Salford, Manchester, RHS research has found more scientific evidence that proves exposure to plants contributes to human health and wellbeing.

In her four-year study, Lauriane Suyin Chalmin-Pui, the Society's first RHS Wellbeing Fellow, has now shown that having just a few plants in a front garden can significantly reduce stress levels. Lauriane distributed two planted containers and amelanchier trees to 38 households and found a significant increase in patterns of healthy cortisol (a hormone regulating stress) with just a relatively small number of plants.

Before the experiment, 24 percent of residents had healthy cortisol patterns. Three months after the addition of the plants, this increased to 53 percent.

Not only did people report feeling happier, but also those suffering from loneliness also found the plants uplifting. There are also benefits for the wider community and the environment.

Research is now focused on the uplifting and beneficial addition of plant scent and colour in gardens.



Gardeners to the rescue

Citizen science is an increasingly popular and important way of engaging a broad section of the community with scientific work. In 2020 we had six citizen science projects on the go, enabling gardeners to get actively involved with our research.

Slugs and how to control the damage they do in the garden is one of our top subjects for RHS Gardening Advice.

Although much is known about them, there is surprisingly little new research into their activities. Now gardeners have helped with two projects. Making regular checks in their gardens, 60 volunteers in the RHS Slugs Count carried out 158 slug hunts and found 4,173 individuals. The RHS Cellar Slug Hunt, to understand populations of declining yellow cellar and green cellar slugs, had 415 records.

Data from both projects is being analysed to inform a PhD thesis, scientific papers and future RHS advice.



Using water wisely

Water is a precious resource and under great strains from population growth and climate change. Ensuring we help explain and educate people as to the importance of water is one of our key environmental drivers.

Using it as sensibly and economically as possible is high in every gardener's thoughts (especially in times of drought and variable weather patterns), and since 2019 our Water Management Specialist has been looking at innovative and cost-effective ways of reducing water use in domestic gardens.

The first completed project found that automated systems were the best and most sustainable way to water plants in hanging baskets.



THE DIFFERENCE WE MADE IN 2020

SCIENCE

Through RHS Gardening Advice we provide guidance so that anyone can become a better gardener – it is a core part of our dedicated membership offering and is part of our charitable work through the website.

The total use of RHS Gardening Advice in 2020 – online, telephone and email enquiries – was 55.4 million, and gardening advice customer satisfaction scored 9.48/10.

GARDENS

With water being such a finite and important resource (see left), we have created a draft RHS Water Policy to improve water use across all RHS Gardens. This is currently being assessed for implementation across our sites.

FUNDRAISING

We are so grateful to the public who have helped raise more than £1 million with Gift Aid for the development of RHS Hilltop – The Home of Gardening Science at RHS Garden Wisley. This will be the only centre in the world dedicated to gardening science, and will allow visitors to see science and research happening in action.

SCIENCE

Gardeners are now better able to protect their gardens from the ravages of honey fungus and slugs thanks to our scientific research. We are developing new plant-health management techniques and information online while undertaking new research to find better ways to manage emerging threats – including those not yet in this country such as rose rosette virus, and the global bacterial disease *Xylella fastidiosa*.

FUNDRAISING

The Oak Foundation donated £625,000 towards the Wellbeing Garden at RHS Garden Wisley.

ENVIRONMENT

Sustainable drainage systems have been used extensively at RHS Garden Bridgewater to provide flood resilience, collect water for storage, and minimise water leaving site. This includes an extensive system in the car park and the creation of attenuation pools and ditches in the woodland which will also provide new wildlife habitats.

To help our environment by growing the next generation of horticulturists and horticultural scientists

Investing in people

So much of what we do depends on the knowledge, development and success of people. We know that by supporting and helping them, we can bring nature to more people and help protect the planet

Continuing to learn

There have been few silver linings to come from the Covid-19 pandemic, but one of them has been the increase in the number of people gardening at home and being able to take stock of their lives and careers.

As a result we had a record 52 applicants to our degree-equivalent course, the RHS Master of Horticulture (MHort) qualification. Of these, 36 people went on to start their first module of learning – this was such a positive result in such a difficult year. It is fortunate that most delivery of the MHort learning takes place online, so disruption has been minimal apart from the practical assessments. However, students were also, with great success, able to do these online.

To make this three-year qualification accessible to everyone, we have also been able to allow monthly payments (rather than by unit or yearly) for candidates who were struggling financially so they could remain on the programme.

The development of RHS Garden Bridgewater in Salford has also opened up new education and career opportunities for those living locally. The garden now has two apprentices, bringing the total number across the now five RHS Gardens to 27.



Showing careers appeal first hand

The choice of careers within horticulture is as broad and varied as it is exhilarating and interesting, but often this is not appreciated by people outside the industry. In July, and as part of the online Tatton at Home event (to coincide with what would have been the RHS Flower Show Tatton Park), we posted 60 videos on our website showing the variety of jobs on offer. The result was incredibly stimulating, with people working in horticulture sharing first-hand experiences of what they do and why they love it so much. Careers profiled range from floral designers to arborists through to plant geneticists.

In addition to the videos, we published details of the qualifications and experience needed for each role, plus expected salary. This is a long-term and important resource for us to share with anyone thinking of getting a job in the horticultural sector.



Helping new scientists to develop

We believe in the power of supporting people, so actively help students across the world begin their successful careers. Tatenda Mapeto (below) received support from the RHS while studying for her PhD in forest hydrology at Nelson Mandela University in South Africa. Her co-supervisor was Mark Gush, now RHS Head of Environmental Horticulture. Following the conferral of her PhD in 2020, Tatenda has become a lecturer in forest management at Nelson Mandela University and continues to follow her passion for all aspects of forest management.

Closer to home, Curtis Gubb studied for his PhD at Reading and Birmingham universities, researching the role of indoor plants on air quality. He received funding from the RHS, sourced plants from RHS Garden Wisley, and was supported by the RHS science and horticultural advice teams. Curtis now works in the industry, focusing on improving air quality within the built environment.



THE DIFFERENCE WE MADE IN 2020

FUNDRAISING

Instead of taking a refund on their Flower Show tickets (due to our shows being cancelled) many people kindly donated their ticket price to RHS funds. As a result of this generosity we raised £65,000 for our schools, outreach work and the RHS Apprenticeship Programme.

SCIENCE

In collaboration with 20 UK university and industry partners, our scientists supported 16 PhD students, two horticultural post-doctoral fellowships and one Knowledge Transfer Partnership (KTP) student.

One of the new post-doctoral fellowships is looking at optimising garden tree selection to help benefit the environment; the other is on the timely subject of analysing gardening for wellbeing.

COMMUNICATION

The careers resource on the RHS website (rhs.org.uk/careers) had a spike of almost 17,000 views in July during the Tatton at Home online event, with more than 60 videos showing the diverse and fascinating range of careers available.

FUNDRAISING

Continued support for RHS apprentices came from a donation of £80,000 from the Schroder Foundation over two years to support apprentices and students at RHS Garden Bridgewater in Salford.

EDUCATION

RHS Qualifications are accessible across the whole of the UK and delivered through 97 approved centres.

PEOPLE

To support the RHS teams across our sites, 27 Wellbeing Champions and 16 Mental Health First Aiders were trained to offer support to their colleagues and our volunteers.

Spreading the word

The RHS is now more relevant to larger and more diverse audiences. New ways are now being established for horticulture to contribute to happier, healthier communities for future generations

Connecting across our media

Our connections and work through the media are vital to help share our passion for gardening. Via coverage in newspapers, on television and radio, in books and on social media, online and in podcasts we encourage, advise and inspire people to take up gardening, become better gardeners and promote the benefits of plants and horticulture.

In 2020 we recorded more than 26,000 instances of the RHS appearing and being mentioned in national, regional, consumer and trade newspapers and magazines. Our 'Support Our Nurseries' call to the nation in the absence of the physical RHS Chelsea Flower Show in May – by visiting and buying plants from the enhanced exhibitor listings on the RHS website – helped many nurseries continue to trade at a difficult time. This achieved national newspaper, online, magazine and television coverage, as did our message to keep gardening during National Gardening Week in April.

Our partnership with the BBC is much valued and a crucial way of extending the reach of our work. We partnered with BBC television *The One Show* to launch a nationwide competition called 'My Chelsea Garden', which attracted 7,600 entries to find Britain's best front, back, indoor and children's gardens. The overall winner was Terry Winters from Salisbury with a romantically beautiful garden (right) created from a blank canvas in 2011; Corinne Tokley-Packer's house of plants won the indoor category. During her time shielding due to Covid-19, she said her plants provided therapy and a peaceful and tranquil environment.

Central to our online content is rhs.org.uk. It is an invaluable place to find help, advice and inspiration but also offers signposts for gardeners to find richer and more specialist information from videos and podcasts. In 2020 we recorded 30 million unique visits to the RHS website and 41.2 million to our Gardening Advice profiles. Our best single day of videos viewed on YouTube came on 23 May during Virtual Chelsea with 8,271 hours of watch time.



Audio success

We continue to experience rapid and sustained growth in the audio world – people's take-up of podcasts grows and grows. Gardening with the RHS podcast has received 1 million listens in the last year. During 2020 subjects ranged from growing ferns, gardening for wellbeing, growing cut flowers and successful foraging.



Our voice in Government

As well as improving the lives of individual gardeners, communities and schoolchildren, we work to promote horticulture and the industry more widely. Through regular contact with the Government and industry, we have continued to build the understanding of the vital role horticulture plays in delivering positive economic, environmental, social and health outcomes.

In 2020 the primary focus of these discussions centred on the Covid-19 pandemic response, the UK's exit from the EU, and the environment. As part of the Ornamental Horticulture Roundtable Group, chaired by RHS Director General Sue Biggs, we helped shape the decision to recognise garden centres in England as essential retailers, and therefore able to open during some of the lockdowns. This was such an important decision as it allowed people to continue to buy what they needed to carry on gardening for the good of their health, wellbeing and the environment. We continue to influence decisions made at government level – for example with Defra, using our research and scientific knowledge for the good of our environment by reducing peat usage among UK gardeners.

THE DIFFERENCE WE MADE IN 2020

PLANTS

As part of a living catalogue of new and exciting seasonal plants, *Rudbeckia hirta* 'Cappuccino' won the People's Choice favourite vote out of more than 80 cultivars grown at RHS Garden Hyde Hall, Essex as part of its Flora Fantasia.

COMMUNICATION

Our most popular video on social media was presented by Alex Young, RHS Horticulturist, about house plant care. Part of the 'At Home' series on Youtube, it attracted 47,051 views.

SCIENCE

To help gardeners keep gardens in blooming health we worked collaboratively on the BBSRC-funded BRIGIT project to improve understanding about the plant disease *Xylella fastidiosa*, and the EU-funded Horizon 2020 project called HOMED (Holistic Management of Emerging Forest Pests and Diseases).

RHS

For the first time in the Society's history we held a virtual Annual General Meeting; this year swearing in the new President, Keith Weed. It was recorded and made available to members via the RHS website.

HORTICULTURE

Throughout 2020 the seven RHS plant committees continued the rolling review of Award of Garden Merit plants – those which have proved themselves to be the best for gardeners to grow. This resulted in 78 plants from onions to lilies receiving a new AGM.

COMMUNICATION

The RHS Youtube channel got 2,553,954 views 2020, for a total of 199,200 hours, up 391 percent on 2019.

PLANTS

Gardeners voted *Viburnum plicatum* f. *tomentosum* Kilimanjaro Sunrise ('Jww5') as their favourite RHS Chelsea Plant of the Decade. Finalists were winners of all the previous Chelsea Plant of the Year competitions, which began in 2010.

**To improve society by building stronger, healthier
and happier communities through gardening**

Communing through growing

The ambition of the RHS is to be more relevant to larger and more diverse audiences – this is something we are always striving to do. As a result, this means we can establish new ways for horticulture to contribute to happier, healthier communities for future generations

Keeping the UK blooming

Although the Britain in Bloom competition could not take place in 2020, we were still able to help and encourage groups to carry on gardening in their towns, villages and cities. We kept in touch by email and learned from groups by online surveys; we were moved by the many stories and examples of how people continued to improve their areas with plants and flowers. Many communities focused on growing food while others used Zoom calls or WhatsApp groups to keep in touch with members.

Like many others, the Hampstead Garden Suburb Horticultural Society in London held its annual Summer Flower Show online and attracted 75 entries into its 17 classes.

To help volunteers further we introduced Blooming Brilliant News, a newsletter sent by email to more than 27,000 people. It is now a regular and monthly part of our connecting with our community of 'bloomers'.



Engaging a community of children while at home

Restless children not being able to go to school were kept busy during lockdown with ideas and fun projects to do indoors and out in the garden. Through the RHS Campaign for School Gardening, we made engaging content easily available to support schools still open for children of key workers as well as for families at home. Through the Campaign's Facebook page and Twitter feed, we created activity cards designed to provide simple but fun things for people to have a go at.

We also posted fun weekly challenges for young people such as 'Dress up Dave' (using plant material to dress up and decorate an outline picture of a person) or making a flower rainbow. Similar activities were shared via the weekly RHS newsletter and the Campaign for School Gardening website – the most popular being how to create a mini wormery and a bug or ladybird home.



In your neighbourhood

Groups involved with RHS It's Your Neighbourhood forged ahead to make their communities more beautiful places, with many having something to celebrate. In 2020, Bonnie Dundee won the Keep Scotland Beautiful Pollinator Award for its work making Dundee city centre a hive of activity for the local insect population. They used plants to encourage bees, pollinators and increase biodiversity as well as helping the wellbeing of local residents. The group is open to all including those with mental health issues, addiction and loneliness. In the city it has two large gardening sites and more than 52 planters.

THE DIFFERENCE WE MADE IN 2020

GARDENS

At RHS Garden Bridgewater, we are grateful for the largest single gift of £1.8 million from an individual, Dr Lee Kai Hung. This will support the garden and promote the art, heritage and culture of Chinese gardening within the local community. Dr Lee is continuing his fundraising efforts with the Chinese Streamside Garden Founding Committee to support future ambitions for the Chinese Streamside Garden.

PEOPLE

To help increase our understanding and delivery of diversity, in August Glen Willie joined the RHS as Diversity and Inclusion Manager.

VOLUNTEERS

To keep in touch with our much-needed volunteers, we increased communications with them via a new newsletter.

FUNDRAISING

Development of the Community Growing Spaces at RHS Garden Bridgewater was supported with donations of £150,000 from the John Laing Charitable Trust and the Swire Family Charities.

COMMUNITY

In October people came together to celebrate edible harvests by making soup. A total of 789 people across Britain signed up their school or community group to take part and share their produce and home-made soup.

PLANTS

Gardeners were encouraged to include and make habitats for butterflies and moths in the 2020 Wild About Gardens campaign.

VOLUNTEERS

In 2020, we thanked and gave out 91 long-service awards for volunteers who have generously donated their time by volunteering at the RHS for five years service or more. These included Diana Goodacre at RHS Garden Rosemoor who has supported the curatorial team for 30 years.

To conserve and share gardening heritage
and horticultural science collections

Opening our heritage for all to enjoy

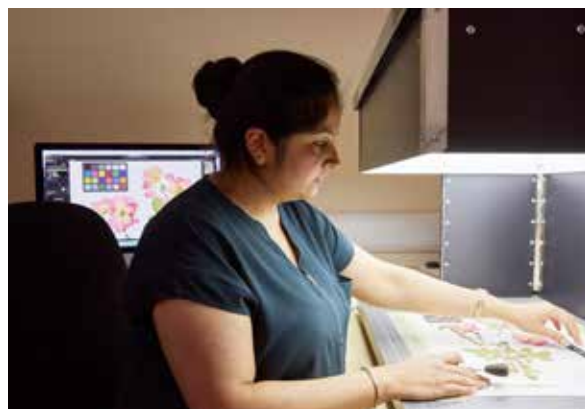
With the completion of RHS Hilltop – The Home of Gardening Science we will be better able to safeguard and share with everyone the Society's comprehensive Lindley Library, Herbarium and entomological collections

Digitising for everyone

Horticultural artworks and images are essential to our heritage but also to understanding the future of plants and gardens. We are continually adding to our collection and making it ever more useful and accessible.

Following the completion of a digitisation project in autumn 2020, these images and 4,200 other paintings – along with 90,000 herbarium specimens and 950 photographic slides – can now be accessed by anyone across the globe to help with research or contribute to general gardening knowledge.

It has taken nine years for this project to be completed, from taking the first digital photograph to them all becoming available through the RHS website. It was supported with help from the Mellon Foundation, The 1851 Royal Commission, and a Heritage Lottery Fund grant.



Enjoying collections from home

Through specially curated exhibitions we are able to share our library collection, which spans 500 years of garden history, science and art. In previous years, people would have been able to visit the exhibitions in person, but in 2020 we took a different approach. Our programme went online, starting in May with the history of the RHS Chelsea Flower Show to coincide with RHS Virtual Chelsea. There were five 'Chelsea Stories', attracting more than 16,000 page views in the course of the show week; and we know people stayed on the pages for a long time.

From June onwards, the library produced an online exhibit each month to coincide with the season, such as *Dahlia Art* (including the painting, left). RHS members were able to preview the exhibitions ahead of them being made available to all.

Herbarium for the future

The development of RHS Hilltop – The Home of Gardening Science has brought with it an array of incredibly exciting opportunities. Back in 1916 the Laboratory building at RHS Garden Wisley was then a state-of-the-art facility for storing herbarium specimens. Today, the RHS has 90,000 specimens and ambitions to care for 400,000 ornamental plant specimens in the future. RHS members have been invited to be part of our plans through the sponsorship of 'blue boxes', each containing a herbarium specimen.

Our fundraising appeal certainly caught the imagination of individuals who sponsored 1,007 boxes which raised £302,100. Their donations were part of a much wider public fund raising campaign for RHS Hilltop which raised more than £1 million. As a thank-you, their names will be inscribed within the building's new atrium.



THE DIFFERENCE WE MADE IN 2020

COMMUNICATION

To encourage and support everyone to make their gardens a haven for wildlife, we have created an online wildlife gardening hub at rhs.org.uk/wildlife with all the ideas and advice on what to grow and include.

MEDIA

Our fourth horticultural monograph *Colchicum: The Complete Guide* covering 119 species and a further 80 cultivars was published in 2020. Chapters focus on plant exploration, breeding and the diversity of colchicums (also known as autumn crocus) in gardens today. A checklist of scientific and cultivar names concludes this complete botanical and horticultural account of these charismatic plants.

COLLECTIONS

To help researchers find information about their gardening ancestors we launched an online research guide for family historians. It is estimated that in 1931 the number of men and boys employed as professional gardeners peaked at 300,000. Our guide explains how to use RHS collections and resources to find more.

ADVICE

A new plant-names management database is now making it easier to update plant names when taxonomy changes, and will be more robust for supporting the 2021 online edition of the *RHS Plant Finder*.

COMMUNICATION

Your Wellbeing Garden, an RHS book published in 2020, showed how gardens link to mental health and wellbeing. This and scientific papers linked to research with Sheffield University and Exeter University were used as evidence for Government to help keep garden centres open so the nation could continue gardening during lockdown.

COLLECTIONS

Orchid botanical art in RHS collections was enriched through the chance find of 15 orchid paintings by botanist Nellie Roberts, who was the Society's first and longest-serving RHS orchid artist.



The Paradise Garden is one of many new features at RHS Garden Bridgewater, Salford, Greater Manchester

Financial Review

Results for Financial Year 01 February 2020 – 31 January 2021

It really should go without saying that the past financial year has been a particularly challenging one for the Society. While last year’s Financial Review was written after the start of the first national lockdown, when the far-reaching and tragic consequences of the Covid-19 pandemic were already becoming evident, none of us then had a clear idea as to how the remainder of the year would unfold. The body of this review explains in more detail the impact Covid-19 has had over the last 12 months and how, as a result of the measures that were implemented, the careful financial stewardship of the leadership team and, most importantly, the continued support and generosity of our members and donors, the Society managed to end the year in a stronger financial shape than was feared this time last year. In my closing remarks, I will venture some cautious observations about what we might expect for the Society in the current financial year.

It is traditional in these reviews to make some reference to the effect of the weather on the Society’s trading results. While it is certainly the case the storms experienced in February did indeed result in reduced visitor numbers across the Gardens in that month, that impact rather pales into insignificance when set against the complete closure of our Gardens, catering and retail following the Government’s announcement of a full lockdown from 23 March. This was followed shortly by our decision to cancel first the RHS Chelsea Flower Show and then the remainder of the Flower Shows. The opening of our new RHS Garden Bridgewater in Salford was delayed, although work and planting continued. Following the subsequent inclusion of Garden Centres within the classification of essential retail, we were able to reopen our retail facilities on 13 May and then the Gardens themselves on 1 June, since when both have remained open. Social distancing restrictions were implemented and timed entry to Gardens was introduced limiting visitors and affecting income.

Despite this massive disruption to our activities, the loyalty and generosity of our members and donors, coupled with the benefit of the Government furlough scheme and the cutting of all non-essential spend, meant that we were still able to deliver a positive net income result of £571k.

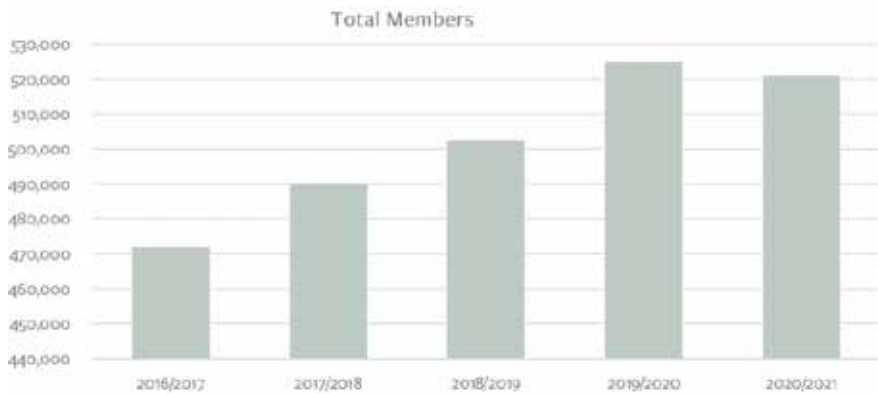
Our results continued to be affected by the impact of the fundraising, net of the related revenue expenditure, in relation to the Strategic Investment Programme. The breakdown of the year’s total income and net income between our regular operations and the Strategic Investment Programme is shown in the table.

| | Regular Operations £’000 | SIP £’000 | Total £’000 |
|---|-----------------------------|--------------|----------------|
| Total income | 60,722 | 6,716 | 67,438 |
| Net income before gains on investments and depreciation | 4,661 | 914 | 5,575 |
| Net income before gains on investments | (343) | 914 | 571 |

Our income from regular operations decreased by 35.2% to £60.7m (2019/20: £93.8m), while the total of donations, legacies and grant income received specifically towards the Strategic Investment Programme decreased to £6.7m (2019/20: £8.3m). The receipt of pledged funds for the Strategic Investment Programme will continue to have an influence on the Society’s results over the next few years and, by their very nature, the amounts received are likely to vary from one year to the next.

Net Income from regular operations before gains on investments and depreciation reduced to £4.7m (2019/20: £10.6m). The net loss from regular operations before gains on investments but after depreciation was £343k (2019/20: income £5.9m).

Membership of the Society declined only slightly over the last year. While retention remained in line with prior years, acquisition of new members was lower, impacted by the cancellation of the Shows, the closure of the Gardens during the popular Spring season and the restriction on visitor numbers thereafter. This was in part offset by the growth in new members joining online.



Total membership ended the year at 521,132 (2019/20 525,105), a decrease of 0.8% over the prior year. Over the past five years, our membership has grown by more than 72,155, a cumulative increase of 16%.

Garden visitors declined to 1.7m, 624k lower than last year. Approximately 81% of the decline resulted from the closure of the Gardens in the Spring. Despite the limits on capacity and the timed entry system in operation since reopening, visitor demand remained strong throughout the period, which was reflected in record attendance of over 160k at the Glow evenings across the Gardens. Prior to this year, the visitor volumes across our four Gardens had increased by more than 420,000 (22%) over the preceding five years.

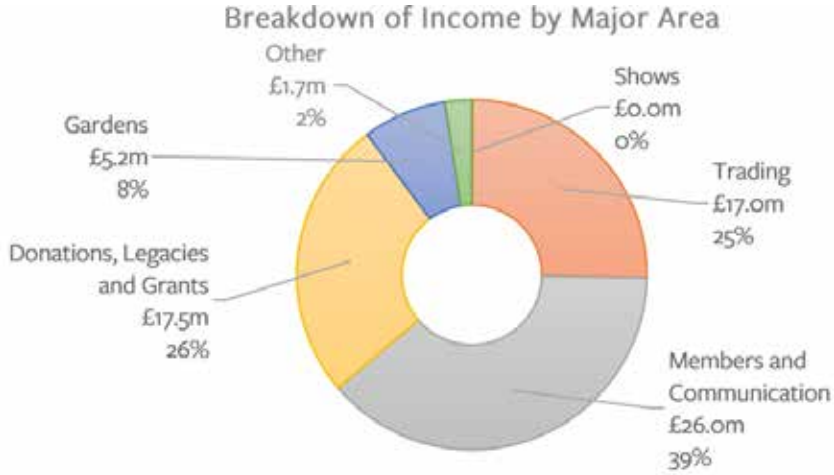


The key contributors to our net income, together with other salient elements of the Society’s financial affairs, are explained below and further details are available in the Consolidated Statement of Financial Activities on page 41 and subsequent pages.

Income

The Society generated total income of £67.4m, compared to £102.1m in 2019/20. A breakdown of this year’s income by major area is shown.

Around two thirds of the total decline in the Society’s income is accounted for by the almost total elimination of income from Shows, which fell to just £37k (2019/20: £22.8m) with the cancellation of all the Flower Shows because of Covid-19.



Trading income includes retail operations from the four RHS Gardens and online, as well as income from advertising and venue hire. At £17.0m (2019/20: £24.7m), it represents 25.2% of the Society’s income. The decrease of £7.7m (31%) against 2019/20 reflects the cancellation of gala nights at the Shows, very limited opportunities to hire out the Lindley Hall and the temporary closure of the retail operations at the Gardens in the busy Spring season. Following reopening, retail generally performed well across the remainder of the year, with online sales growing by 56% over last year benefiting from the overall change in consumer behaviour as a result of Covid-19 and the booming interest in gardening under lockdown.

Income from the Members and Communication division, representing 38.5% of the Society’s total income, at £26.0m (2019/20: £24.1m), was higher than last year by £1.9m (8%) benefiting from the continued support of our members and the temporary reduction in VAT; this continues to be a major, stable and recurring source of funds to re-invest in our charitable projects.

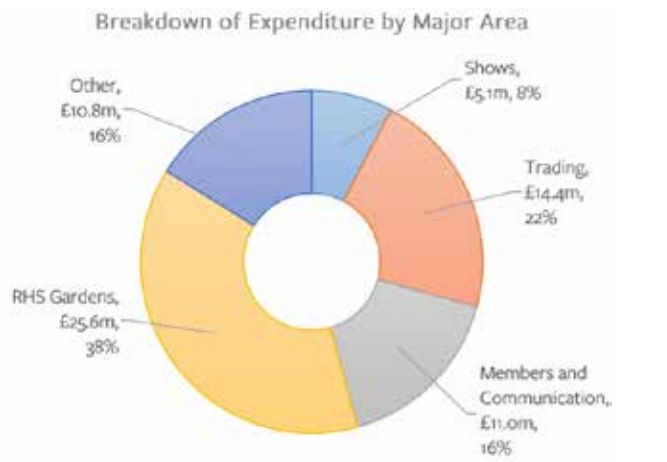
Donations, legacies and grants income increased by £0.7m (4%) to £17.5m (2019/20: £16.8m). Within this are specific donations and grants of £6.7m (2019/20: £8.3m), mainly in support of the RHS Garden Bridgewater and the RHS Hilltop - Home of Gardening Science at RHS Garden Wisley. It also includes £3.9m received from the Government through the Coronavirus Job Retention Scheme (furlough), which the Society claimed for a varying number of employees across the year peaking in May when approximately 50% of employees were on furlough. While this element will disappear as the Government scheme winds down and all employees return from furlough, fundraising is more generally a critical income stream and will remain a key focus over the next few years.

RHS Gardens income, which includes gate receipts and catering but excludes income from retail operations (included within Trading income above), was £5.2m (2019/20: £8.5m), down £3.3m (39%). This decline reflects the complete closure of the Gardens and cafés for nine weeks in the Spring and then, once they had reopened, the limits on visitor numbers and the significantly reduced catering offer in line with Government restrictions to control the spread of Covid-19.

Expenditure

Total expenditure in the year was £66.9m (2019/20: £93.7m), a decrease of £26.8m (29%). This included spending of £5.8m (2019/20: £5.8m) on projects within the Strategic Investment Programme. A breakdown of this year’s expenditure by major area is shown below:

RHS Gardens expenditure totalled £25.6m (2019/20: £28.7m), down £3.1m (10.8%) as a result of the cancellation of events in the Gardens, the closure of the cafés and the curtailment of all non-essential expenditure in response to Covid-19. In spite of this there was continued investment in headcount and horticulture in the Gardens, including building out the operational team at RHS Garden Bridgewater ahead of its opening this year. As new buildings come on line, depreciation attributable to the Gardens will continue to grow.



Shows total expenditure was £5.1m (2019/20: £22.1m) a decrease of £17.0m. This reduction is due to the cancellation of all Flower Shows because of Covid-19 and includes only payroll and other costs that were contractually due at the time of cancellation.

Trading expenses of £14.4m (2018/19: £19.2m) decreased by £4.8m (25.0%). This reflects the lower cost of goods for retail due to the reduced income and lower costs for the closed Horticultural Halls.

Members and Communication expenses at £11.0m (2019/20: £10.5m) increased by £0.5m (4.8%) which reflects the increased cost of printing and distributing *The Garden* to members throughout the year.

Science and Collections expenditure decreased by £0.7m (13%) to £4.7m (2019/20: £5.4m). The RHS Gardening Advice service offered by Science experienced a huge increase in the numbers of queries but expenditure in areas of Science and Collections reduced as a result of Covid-19, including the closure due to Government restrictions.

Communities and Education expenditure, at £3.3m (2019/20: £4.1m) has decreased by £0.8m (20%) due to the limitations around delivering the community activities as a result of Covid-19.

Horticulture expenditure of £1.0m (2019/20: £1.5m) covering Plant Trials, Bursaries, Partner Garden support and Affiliated Societies is £0.5m (33%) lower than last year due to the suspension of Bursaries and many of the Partner Gardens and Affiliated Societies being inactive as a result of Covid-19.

The Society’s Strategic Investment Programme incurred similar expenditure in 2020/21, with £5.8m (2019/20: £5.8m) invested as revenue expenditure (in addition to the capital expenditure of £25.5m discussed below) which is included in the above analysis. Major areas of revenue expenditure included: £0.3m on our Community Outreach projects across the UK; £0.7m towards our Horticulture Matters programme under which we have committed to make horticulture a career to be proud of; £1.3m towards IT and Digital resources including a new eCommerce site for Books and Gift and initial planning for the new CRM system; £0.3m towards increased Horticultural Science resources; and £2.9m covering additional resources required as support to the Society in delivering all the individual projects that make up the Strategic Investment Programme.

To date, we have received fundraising donations towards the Strategic Investment Programme of £27.6m, including the £6.4m received this year, and have pledges of a further £6.0m towards the £40m target.

Given the impact of Covid-19 we had already taken the decision to defer certain elements of the Strategic Investment Programme and while we have not adjusted the overall scale of the programme nor the target fundraising, we will continually re-evaluate the amount and phasing of the remaining expenditure to adapt to any further impacts of Covid-19 on our operations.

Fixed Asset Investments in Funds

At the year-end, the Society held Fixed Asset Investments in Funds valued at £35.8m (2019/20: £60.8m). These investments have performed well despite the stock market volatility over the last 12 months due to the defensive overall asset allocation. Details of the financial assets are set out in Note 9. These investments either provide support for the Society's reserves or are earmarked for allocation against future expenditure on the Strategic Investment Programme; during the year, £26m was drawn down to this end. The Investments Committee is responsible for the oversight of the Society's investments.

Endowments gifted to the Society total £6.8m and form part of the Fixed Asset Investments. The Society was granted permission by the Charity Commission on 28 November 2012 to use a total return policy in relation to its permanent endowment funds and adopted this policy from the financial year ended 31 January 2014. The Society's endowed investments are managed on a total return basis with up to a maximum of 3.5% of the endowment fund balance withdrawn each year and made available for bursaries. In accordance with this policy, Council transferred £138k from the endowment to restricted funds for spending in the year. Any unspent bursary funds are carried forward for spending in the following year.

Over the three years to 31 January 2021, the endowed portfolio produced annualised total returns of 6.8% per year in excess of the Society's target return of RPI plus 3.5% per annum which was 5.7%. Council will continue to review the level of annual withdrawal to ensure that an appropriate balance between the needs and interests of current and future beneficiaries of the Society's activities is maintained.

Restricted and Designated Funds, which have been established for specific uses and where the expenditure is expected to be made within a five-year period (for example, under the Strategic Investment Programme), are invested in cash and liquid fixed income securities allowing annual withdrawal of funds to support expenditure towards our charitable objectives. The target return on the cash and liquid fixed income securities is 'cash plus' (ie to exceed the return on cash). For Restricted Funds that are expected to have an investment period of more than five years, the Society's overall investment objective is to preserve capital and to achieve positive real returns in excess of inflation.

The Society's cash and liquid fixed income securities are invested in the Royal London Asset Management (RLAM) Cash Plus Fund. The RLAM Fund, which is invested in both cash and liquid fixed income securities, has returned an annualised 0.8% per year over the three years to 31 January 2021, being in excess of the 'cash plus' target

The remaining non-endowed investments within Restricted and Designated funds have generated an annualised return of 7.2% over the three years to 31 January 2021, based on the unit price performance, which neutralises any effect of withdrawals and additions of funds. This is 5% above the Society's target of achieving a positive real return in excess of annualised RPI, which was 2.2% over this period. These investments were held at year-end in funds managed by two investment managers, Troy Asset Management Limited and Veritas Asset Management. Including the net withdrawals of funds during the three years, the annualised growth was 2.2%.

In view of the scale of the expenditure expected over the duration of the Strategic Investment Programme, Council had resolved that it is prudent to manage the phasing of this project expenditure such that the balance of Fixed Asset Investments in Funds is maintained at a level which exceeds by at least £15m the sum of the Reserve Policy Fund, the endowed and restricted funds and funds sufficient to eliminate the pension deficit. This remains our plan even taking into account the impact of Covid-19 over the last 12 months and our current assessment of its ongoing impact. Certain elements of the Strategic Investment Programme were deferred from last year and phasing of the remaining expenditure will be monitored, however the bulk of the expenditure is now complete so the Programme will have a much smaller impact on the overall financial position of the Society going forward.

Reserves

In line with the Charity Commission guidance that a charity should maintain adequate reserves to ensure its ability to deliver its charitable objectives, the Society holds both restricted and unrestricted reserves for a number of purposes which are set out in Note 22 to the financial statements. These reserves, which are reviewed annually by Council, are summarised as follows:

- Restricted Funds total £4.0m; funds that are to be used in accordance with specific restrictions imposed by the donors.
- Fixed Asset Funds total £150.5m, representing the amount invested in the net book value of fixed assets.
- Investment Property Funds total £19.6m, representing the amount invested in properties in Wisley village that are let on the open market.
- Strategic Investment Programme Funds of £2.0m represent the funding support which has been specifically designated for the continuing capital and revenue projects within the Strategic Investment Programme. These remaining designated funds relate to future expenditure on the Community Outreach programme and the renovation of Historic Core at Wisley. It is envisaged this investment programme will continue to run to 2024.

The General and Trading Fund stood at £9.7m at the beginning of the year and included £8.4m representing a portion of the Society's General Reserves that Council considered appropriate and prudent to maintain as a buffer against the risks and challenges faced by the Society in the context of its scale of activity, overall commitments and the potential calls upon its finances. Covid-19 was exactly the sort of situation that this fund was intended to address, and this has been fully utilised over the last 12 months to support the operational requirement of the Society. Rebuilding this reserve will be a priority for the Society and is expected to take at least three years to rebuild it back to the target level of approximately three months of the Society's total payroll cost

Going Concern

A year on from the onset of the pandemic, the impact and measures required to adapt to Covid-19 are a lot clearer. The numbers of visitors to Gardens and the retail outlets have become more predictable with the experience gained in operating to fixed capacities and timed entry system. Online sales have remained robust throughout and the capacity and supply constraints experienced last year have been ironed out. Throughout, members have remained loyal and donors generous in their support.

While much uncertainty remains, the publication of the Government roadmap out of lockdown has also allowed us to plan for a full summer of events with a higher degree of confidence. The openings of RHS Garden Bridgewater and RHS Hilltop – The Home of Gardening Science at Wisley have been timed to fall after the provisional dates provided by the Government for recommencement of public gatherings; this should both provide further underpinning to our visitor numbers and related activity. We are also planning to scale up our catering facilities as restrictions on hospitality are lifted.

As for the Shows, the originally scheduled dates for RHS Hampton Court Palace Garden Festival and RHS Flower Show Tatton Park are both after the provisional 21 June date for the lifting of all limits on social contact, and RHS Chelsea Flower Show has been rescheduled from May to September. While this deferral initially resulted in a small number of requests for refunds, this has since been offset by new sales, and ticket sales for all shows are currently in line with expectations.

The budget for 2021/22 was prepared on a cautious basis assuming continued restrictions on visitor numbers to the Gardens and the Shows. In addition, it allows for the ring-fencing of some expenditure that could be delayed or cancelled if there is a further deterioration in the operating environment for the Society. As part of the 2021/22 budgeting process, a number of more extreme downside scenarios were considered (including the

cancellation of RHS Chelsea Flower Show on the eve of its opening), in all of which the Society would have sufficient cash and cash investment reserves to continue to fund its operations.

Reserves have been significantly depleted during the last year and it is acknowledged by Council that it will take time and focus to rebuild them over future years. However, in addition to its cash and investments, the Society does have unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced as a last resort. In addition, we have secured a £10m revolving bank facility, which provides a further cushion to meet any short-term cash outflows.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

Pensions

The consolidated and Society balance sheets include the pension net liability on the 1974 Defined Benefit Pension Scheme of £7.7m as at 31 January 2021 (2019/20: £5.9m) as set out in note 29. The deficit is disclosed for FRS 102 purposes, valuing the Scheme's liabilities based on actuarial assumptions and assets at market rates as at the financial year-end. The latest triennial Actuarial valuation was completed in 2020 and a 9 year deficit reduction plan was agreed with the Trustees of the Pension Scheme. The commitment to funding the deficit and the inherent risks in valuation movements are taken into account in all our financial planning, including the anticipated and targeted levels of reserves.

The defined benefit pension scheme was closed to future service accruals in May 2009. While the closure of the scheme helps to minimise the Society's exposure, this remains subject to future volatility of the pension scheme's liabilities as a result of changing actuarial variables. We will continue to seek and evaluate opportunities to manage this volatility and, if possible, to reduce the pension scheme net liability.

Capital Expenditure and Disposals

In 2020/21, capital expenditure amounted to £26.4m (2019/20: £41.1m). Of this, £25.5m related to the Strategic Investment Programme. Expenditure has decreased compared to previous year following the completion of the RHS Wisley Welcome Building and lower spend on the new RHS Garden Bridgewater.

At Wisley, the main expenditure has been incurred delivering the new RHS Hilltop – The Home of Gardening Science with £14.0m on the construction of the building and £3.0m on the surrounding landscape.

At RHS Garden Bridgewater, expenditure has been incurred on a number of projects across the site including the completion of the new Welcome Building and new lake, and landscaping and horticulture both within the historic walled garden and the wider site, altogether totalling £10.5m.

Outlook

Over the coming months, we are looking forward to celebrating the completion of the remaining two large capital projects: RHS Hilltop - The Home of Gardening Science at RHS Garden Wisley, and RHS Garden Bridgewater which, due to the impact of Covid-19, had been delayed from last year. We are anticipating a continued boost to retail performance both from the shift in behaviours over the pandemic with surging interest in gardening, and from the new Welcome Building at Wisley finally being open over the key spring retail season. We are looking to build on the loyalty we have seen over the last 12 months in the existing membership base with growth in new members helping us towards a target close to 550k members. We also have in our sights the achievement of our remaining fundraising target of £6m towards the major projects as well as continuing the refurbishment of the historic Laboratory building at Wisley and commencing the redevelopment of the Harrogate Arms at Harlow Carr.

We will look to continue to invest in areas of the Society that came to the forefront during the pandemic with the planned continuation of the RHS Virtual Flower Shows, an increase in the online advisory service offered to members and further development of digital content to engage with the ever increasing number of gardeners across the UK.

While the outlook for this year is a little clearer than it was 12 months ago, uncertainty and caution remains. That said, there are positive elements emerging with the vaccine roll-out ahead of initial timelines and the Government having shared their strategy for the lifting of lockdown which boost confidence in achieving our 2021/22 aspirations. We remain flexible and have taken the decision to move RHS Chelsea Flower Show from May to September to ensure that we can put on this important show at a time when restrictions are expected to be lower while at all times adhering with Government guidance. RHS Flower Show Tatton Park and RHS Hampton Court Palace Garden Festival will still go ahead as planned, a return to some form of normality. While visitor numbers have been somewhat muted during February and March due to the continued ‘stay local’ guidance during lockdown, the numerous events planned as restrictions are progressively lifted over the coming months will give us ample opportunity for this position to be recovered.



Mr Matthew Lindsey-Clark
Treasurer
04 May 2021

Structure, governance and management

The Society is a registered charity incorporated and governed by a Royal Charter and by Bye-Laws approved by the membership. A copy of the Charter and Bye-laws can be found in the ‘About the RHS’ section of our website (rhs.org.uk) or obtained on request from The Secretary at the address shown on page 3.

The Society’s governance is structured around the principles of Charity Governance Code, a helpful and important tool to drive forward improvements. The Trustees are committed to regularly revisiting the Code’s key principles to ensure the highest standards of governance.

A summary of the Society’s structure, governance and management arrangements in 2020 is provided below. This broad structure has been in place since December 2012. In the past year, the Covid-19 Working Group has been added to the structure and is specifically responsible for monitoring and giving advice to Council about the Society’s response to Covid-19 and may take all necessary actions to mitigate the impact on the Society, save for those decisions that are specifically reserved to Council.

Council and Trustees

The governing body of the RHS is Council. This comprises the President, Treasurer and up to 15 ordinary members, all of whom are elected by the RHS membership, plus up to two co-opted members. The members of Council are the Trustees of the Society. The President is the Chairman of Council. The current members of Council are shown on page 3.

Election and appointment to Council

The President and Treasurer are elected annually by the members of the Society at the Annual General Meeting (AGM). The other 15 elected members of Council usually serve for up to two terms of five years, with at least three retiring each year and their successors being elected by the membership at the AGM.

Co-opted members are appointed by Council to serve for up to one year to the date of the AGM with the opportunity of re-appointment for one further year if eligible. Co-option provides an opportunity to recruit or retain additional members to Council who offer particular skills, knowledge and experience.

If a vacancy arises during the year, Council has the power to appoint a new member. An appointed member will serve until the date of the next AGM, after which the post will be filled by election.

All members of Council must be members of the RHS and eligible under charity law to serve as a Trustee. No ordinary member of Council may serve for longer than 10 years unless at least five years have elapsed since the completion of the 10 years previous service, after which they are eligible to stand for election for one further term of up to five years in accordance with the Society’s Bye-laws.

The Nominations, Appointments and Governance Committee, comprising serving members of Council and other members of the Society, is responsible for identifying candidates for election to Council after having regard to the role description, the person specification and the skills, knowledge and experience of existing members. The Committee also makes recommendations on the candidates that should receive Council’s support at elections.

The rules for the election of President, Treasurer and ordinary members of Council can be found in the ‘About the RHS’ section of our website. Copies of the role description and person specification for each of these positions can also be found within the same section.

Most members of Council have already served on one or more RHS Committees before their election. However, on election, members receive a comprehensive information pack covering the Society’s plans and activities and meet with our Leadership Team members to discuss the work of the Society.

Council undertakes an annual feedback exercise where individuals can comment on performance of Council and raise any issues or concerns. Further, the President ensures that feedback is provided to individual Trustees throughout the year, as and when required.

Trustees undertake an induction programme shortly after election, and throughout their term attend ad hoc training and receive updates to Trustee legal responsibilities.

Council responsibilities

Council is accountable for the running of the Society as a whole, for ensuring that the Society complies with its governing documents and legal obligations, pursues its charitable objectives and uses its assets to pursue those aims, and acts in the interests of the beneficiaries. As part of Council’s accountability, performance of the Society is measured and assessed against the Charity Governance Code and is reviewed by the Nominations, Appointments and Governance Committee and Council annually.

Although Council takes all major strategic decisions and those reserved to it by law, it delegates some decision-making powers to Boards, Committees and the Executive via the Director General. The RHS Boards and Committees may comprise members of Council and other members of the RHS and take decisions within the overall strategy and budgets agreed by Council. Council retains responsibility for the decisions taken by these bodies. The Society's governance and decision-making Boards and Committees and their responsibilities are:

- Audit and Risk Committee – reports to Council and ensures that all aspects of the Society's financial and risk management policies, procedures and controls are effective and appropriate. The President and Treasurer approve individual contracts between Trustees, the Society and its trading companies, and these are reported to both the Audit and Risk Committee and Council.
- Commercial Board – reports to Council and is responsible for advising Council in relation to the Society's commercial and financial affairs and resources. Is responsible for representing the Society as the “employer” in the funding and support of the RHS (1974) Defined Benefit Pension Scheme and the provision of alternative pension arrangements if appropriate as well as maintaining an overview of the wellbeing of the workforce.
- Council Key Investment Project (KIP) Group – reports to Council and is responsible for maintaining an overview of the Strategic Investment Programme projects and in particular monitoring each project's operation against its approved budget and business case, as well as monitoring related fundraising.
- Council Technology Group – reports to Council and is responsible for maintaining an oversight of the Society's key IT and digital projects and their operation within agreed budgets, in particular, approval of draft business cases for the digital and IT operational projects.
- Covid-19 Working Group – reports to Council and is responsible for monitoring and giving advice to Council about the Society's response to Covid-19 and may take all necessary actions to mitigate the impact on the Society, save for those decisions that are specifically reserved to Council.
- Horticulture Board – reports to Council and is responsible for all activities relating to the encouragement and improvement of the science, art and practice of horticulture in all its branches within

the Society. In this respect, it is the guardian of the Society's role as a Learned Society. The Board is responsible for offering horticultural, educational and scientific advice to Council on any major initiatives or developments being considered by the Society.

- Investments Committee – reports to Council and is responsible for reviewing and maintaining the Society's investment portfolio (including bursary funds).
- Nominations, Appointments and Governance Committee – reports to Council and is responsible for identifying and recommending the candidates who should receive Council's support for election as members of Council. The Committee is responsible for the approval of all appointments to governance and decision-making boards and, committees and has oversight of appointments to advisory groups of the Society as well as representatives of the Society on outside bodies. The Committee ensures that increasing diversity across our governance structure is an objective when appointments are considered. It also monitors and makes recommendations to Council about any changes to the governance arrangements of the Society.
- People and Remuneration Committee – reports to Council and is responsible for making recommendations to Council on the remuneration and benefits for the Director General and all members of the Leadership Team of the Society. The Committee also reviews and monitors People policies, processes and practices; and reviews and approves appointments to and terminations from the Leadership Team.

Advisory groups and forums

Council and the Leadership Team of the Society also appoint advisory groups and forums to provide specialist advice to the Society and the wider gardening public.

Some 560 individuals have served on these Boards, Committees, Groups and Forums during the past year in a voluntary capacity, generously giving their time and expert knowledge.

The terms of reference for all Boards, Committees and advisory groups can be obtained from the Secretary at the address shown on page 3. Further information about the governance and management arrangements of the Society can also be found on our website.

Council confirms that it has given due consideration to the Charity Commission's published guidance on the Public benefit requirement under the Charities Act 2011, as highlighted on pages 6 to 21.

RHS Trading Companies

Our active trading companies are:

- i. RHS Enterprises Limited – a garden-related retailer operating at RHS Gardens, RHS Shows and online.
- ii. RHS Special Events Limited – organises gala events for fundraising purposes at the RHS Chelsea Flower Show and RHS Hampton Court Palace Garden Festival.

Both companies donate their available profits under Gift Aid to the Society, thereby assisting the funding of our non-commercial, charitable activities.

Each trading company has its own Board of Directors. The Directors' Report and Annual Accounts for each of the RHS trading companies are available on request from The Secretary of the RHS and are also publicly available at Companies House.

Related charities and other related parties

The Lindley Library Trust (registration number 222879) is a subsidiary charity of the RHS. The RHS Council are also the Trustees of the Lindley Library Trust.

The RHS jointly administers The Shropshire Horticultural Society (Wisley Trainee) Charitable Trust (registration number 701677) with the Shropshire Horticultural Society, with each charity entitled to appoint three of the six Trustees.

The Northern Horticultural Society (“NHS”) merged with the RHS in 2001. To protect the name, The Northern Horticultural Society Limited (company number 06799077) was formed. It is not intended that this company will trade. Any donations that continue to fall due to the NHS will in future be payable direct to the RHS.

The Royal Horticultural Society (1974) Pension Scheme is a related party to the RHS (see Note 29 to the Financial Statements).

Management of the Society

The day-to-day running of the Society is delegated to the Director General and her Leadership Team. Each Leadership Team member has a division under their control and is responsible for the Society's operational activities and delivery of the Strategic Objectives agreed by Council. The Leadership Team during 2020/21 were:

Ms Sue Biggs, Director General
Mrs Sally Charleton, Director of Gardens (to July 2020)
Mrs Ruth Evans, Director of Education, Funding & Communities (to July 2020)
Mrs Carole Goldsmith, Director of People
Prof Alistair Griffiths, Director of Science & Collections
Ms Hayley Monckton, Director of Communications

Mrs Jan Nix, Director of Risk & Governance
Mr Mark Norman, Director of Finance
Ms Martine Parnell, Director of Membership, Marketing & Digital
Ms Helena Pettit, Director of Gardens, Shows and Retail
Mr Matthew Rooke, IT and Digital Director (to December 2020)
Dr Tim Upson, Director of Horticulture, Education and Communities

Salaries of the Society's Leadership Team are set according to market rates, the level of skills and experience required to deliver the roles, and affordability. Salaries for the Leadership Team and Director General are considered annually by the People and Remuneration Committee.

Staff and volunteers

As at 31 January 2021, the Society employed 734 full-time and 301 part-time staff (31 January 2020: 684 and 276 respectively). Additional seasonal staff were employed during peak periods. The Society also received help from 2,110 volunteers during the year. This included 1,343 regular on-site volunteers in the Society's Gardens and Flower Shows, 207 off-site volunteers supporting our community work and 560 expert supporters of the Society who serve on its boards, committees, forums and advisory groups. An additional 200 people have also participated in a one-off volunteering day at RHS Garden Bridgewater. During our second year of the RHS Volunteer Long Service Award programme, we were pleased to issue 91 long service awards to on-site volunteers, ranging from 5 to 30 years of volunteering.

We are focused on improving the diversity of those who work for and volunteer at the RHS, and the Trustees recognise the importance of working to improve diversity within our governance structure. Our Nominations, Appointments and Governance Committee considers diversity regularly to ensure that it is maintained as a focus of the Society.

Principal risks and uncertainties

The Society has an established risk management policy in place which documents its approach to risk. Our reputation is extremely important to us; it is affected by our decisions, performance, and activities across a wide range of areas as we strive to ensure that our members, visitors, gardeners, customers and other key stakeholder expectations are met. Threats to our reputation (“reputational risk”) may arise as a consequence of our key risks, all of which are actively managed. The policy outlines the roles and responsibilities of Council and the Executive, the key requirements for reporting, and how the effectiveness of this approach will be measured.

The Society has a dedicated Internal Audit function which undertakes audits as agreed with the Audit and Risk Committee, and maintains a detailed risk register that addresses the major risks that face the Society and may impact its ability to achieve objectives. The register is subject to monthly review by the Leadership Team in order to take account of emerging risks and changes in the

risk profile. The register is discussed biannually at the Audit and Risk Committee and submitted regularly to Council for information and review.

Below is a summary table of operating risks faced by the Society and mitigating controls in place to manage likelihood and impact of these risks:

| Risks <i>What are the key risks facing the Society?</i> | Management and mitigation <i>What is the Society doing to reduce the likelihood or minimise the impact of these risks occurring?</i> |
|---|---|
| <p>Covid-19. One of the risks to the Society throughout the financial year and beyond continues to be that posed by Covid-19 and the associated issues that surround it. These include the impact on staff, operating our Gardens, membership, trading, and education provision.</p> <p>Our foremost priority is always the health and safety of our members, visitors, students, staff and volunteers and to support the Government’s efforts to tackle the coronavirus pandemic and protect the NHS.</p> | <p>The Health & Safety team continue to ensure we are operating a Covid-secure organisation and we continue to comply with Government legislation.</p> <p>Membership numbers ended the year at a much higher level than first anticipated in 2020 and we expect further increases in 2021 as the Gardens are opened more widely and visitor numbers increase.</p> <p>Planning shows involves a significant amount of scenario planning and risk mitigation strategies, monitoring, engaging closely with our suppliers and exhibitors, and keeping our customers informed. This year with the added complexity of Covid-19 Government advice is followed at all times with the result that the RHS Chelsea Flower Show has been delayed until September 2021.</p> <p>For expenditures we are mitigating this through both delayed spending until the major shows have happened where possible, and overall tight cost control and close monitoring of key suppliers.</p> <p>The Leadership Team maintains a number of financial scenarios ensuring cash flow and available funds are tightly monitored.</p> |
| <p>Strategic Investment Programme. Over the 10 year period to 2023/24, the Society is committing significant cash reserves to the delivery of the Strategic Investment Programme and seeking to achieve a fundraising target of £40m. The delivery of the SIP creates inevitable disruption within our Gardens and is resource-heavy.</p> | <p>Despite the challenges posed by Covid-19, work has been able to continue, adhering to Government and BuildUK guidance. RHS Garden Bridgewater at Salford and RHS Hilltop - The Home of Gardening Science at Wisley are due to open in May and June respectively.</p> <p>The projects and fundraising continue to be managed through both Executive and Trustee groups where progress, changes, costs and risks are monitored through a change-control and early-warning procedure.</p> |
| <p>Changing climate and environment. Extreme weather events are becoming more frequent and are occurring throughout the year.</p> <p>Usually difficult to predict, adverse weather can significantly reduce the number of visitors to our Gardens and Shows, impacting our sales performance. Weather extremes (flooding, drought, high winds and snow) due to a changing climate may also cause significant damage to buildings, infrastructure and our plant collections within the Gardens, also negatively impacting on visitor numbers.</p> | <p>The Society has put measures in place to reduce the impact of adverse weather, including more areas undercover for our visitors, increasing garden events, encouraging pre-booking of tickets and growing online sales.</p> <p>On an operational level, the Society has in place tree management and irrigation procedures for each garden, as well as emergency closure plans, and our Strategic Investment Programme is providing more indoor event space and facilities within our Gardens that will further mitigate this risk</p> <p>Our sustainability plan is being reviewed and updated. Continuing investment in this area includes the creation of new dedicated positions at the RHS.</p> <p>Our Environmental Horticulture team within Science and Collections focuses on gardening to adapt to and mitigate against changing climate, on trees, water and gardening sustainably.</p> <p>We share the public’s concern about the environmental impact of peat extraction, and have set out our position on peat use: rhs.org.uk/peat</p> <p>We encourage gardeners to help our declining bees and other pollinators by avoiding the use of neonicotinoids and other pesticides, through undertaking scientific research on pollinators in gardens and through creating the plant for pollinators list of plants.</p> |

| Risks <i>What are the key risks facing the Society?</i> | Management and mitigation <i>What is the Society doing to reduce the likelihood or minimise the impact of these risks occurring?</i> |
|---|--|
| <p>Brexit. A wide range of risks remain post Brexit in areas including (but not limited to) pricing, supply chain, and consumer confidence.</p> | <p>To ensure a timely and focused approach to the wide-reaching Brexit risk landscape, a separate Brexit Risk Log was developed and continues to be reviewed and updated monthly, with mitigations and/or further actions captured and monitored.</p> <p>The Society recognises that building and maintaining strong relationships with key stakeholders, locally and nationally, creates opportunities to inform and influence as well as share concerns.</p> |
| <p>Business critical systems. The Society continues to make considerable investment in its IT infrastructure.</p> <p>Focus will be to ensure that the RHS is able to maintain the safety and security of the Society’s data and handle “business as usual” activities while seeking to achieve a timely delivery of the IT roadmap</p> | <p>Upgrade of the Society’s Finance and Retail system is now complete, and the Society now turns its attention to the Membership systems to deal with the needs of the increasing membership base and enhancing the customer experience.</p> <p>As with the SIP programme, the projects are managed through both Executive and Trustee groups where progress, changes, costs and risks are monitored through a change-control and early-warning procedure.</p> |
| <p>Plant health and biosecurity. There has been an increase in the rate at which harmful plant pests and diseases have become established in the UK. Diseases such as ash dieback and those caused by <i>Phytophthora</i>, and pests such as box tree moth and horse chestnut leaf-mining moth are causing significant changes to our landscape and horticultural practices.</p> <p>The risk of new plant pests and diseases being introduced is associated with the long-term trend of increasing volume and speed of movement of traded plants, and other material, imported from an expanding variety of sources.</p> <p>Uncontrolled or unmitigated plant health issues could result in damage to RHS Gardens, RHS Retail and RHS Shows and ultimately affect both the horticultural content and financial performance of the Society.</p> | <p>As a result of these increased plant health risks, the Society revised its approach to plant health, writing a policy statement and action points for industry and policymakers on biosecurity and Brexit and implementing the six plant health principles which guide plant health practice across the Society.</p> <p>Preventive action continues to be taken to reduce particularly high-risk diseases such as <i>Xylella fastidiosa</i> reaching the RHS Gardens and events. This includes the ban of high- risk plants from RHS Gardens and RHS Shows (from 2018 onwards) together with reinforcement of quarantine procedures across the Society for all other imported plants.</p> |

Health and safety

The Society maintains rigorous procedures for ensuring the health and safety of its visitors, staff and volunteers based on proportionate principles of risk management. The Audit & Risk Committee and Council members keep health and safety under regular review.

Equal opportunities

The RHS is committed to providing equality of opportunity for all employees and to avoiding unlawful discrimination in employment. The Society regularly reviews practices and policies to ensure that they effectively assist in putting this commitment into practice. The Society appointed its first ever Diversity, Inclusion and Wellbeing Manager in 2020 who developed a Diversity and Inclusion Strategy and Action Plan with the aim of making Diversity and Inclusion

part of the fabric of the Society and ensuring that the RHS represents and reflects all the communities of the UK.

Employee involvement

The decision-making processes incorporates regular feedback from the RHS Voices Group, as a representative body for all employees across all RHS sites. The RHS Voices Group meets quarterly with the Director General and Director of People plus a mix of Senior Managers and members of the Leadership Team. A new survey tool was launched at the end of 2019 facilitating the opportunity for more frequent pulse surveys and deep-dive exploration on specific topics identified as needing further investigation. Employees are actively encouraged to participate in the surveys and their anonymous feedback is thoroughly reviewed and forms part of the decision-making process.

Safeguarding

Our activities can often involve interaction with young people and adults at risk. All of our people have a moral and legal responsibility to look after the young people and adults at risk with whom they come into contact at the RHS. Whether it is our volunteers, staff, or educational groups such as schools and colleges, communities on outreach projects, or running fundraising events and shows, we are absolutely committed to ensuring the protection and support of young people and adults at risk so that they can live free from harm, abuse and neglect.

We have a Safeguarding Policy in place that has been cascaded through the whole organisation and is supported by robust training and guidance, with measures to manage concerns effectively and protect those who are most at risk. As part of our code of practice, the RHS Behaviours and Business Practices document is available to all our staff via the intranet and provides clarity and guidance on the expectations of all those working for the RHS. This is reinforced during the induction period for all new employees, with additional guidance provided by line managers. Our Management Development Programme offers managers insight into how to develop staff and how to give feedback. The training we offer around safeguarding covers how staff act towards vulnerable people. The eLearning is mandatory for all staff; and those whose role involves working directly with children and adults at risk receive additional face-to-face training.

While we are vigilant in our safeguarding duties, we are conscious of the need for continuous improvement and seek to evolve and improve our policy and associated processes and procedures to ensure that they remain robust.

Fundraising statement

Our guiding principle for fundraising is to build secure, long-term fundraising support from our members and donors, encouraging their interest in our charitable work, allowing them to engage with our staff and projects, and seeing how their additional gifts help us. Our fundraising materials are written and designed around this principle.

Fundraising activities include targeted direct mail; events and leaflets at our Gardens promoting donations and bequests; donations through our website; and approaches to trusts, foundations, companies and individual benefactors.

Our fundraising is carried out by our in-house fundraising teams and we are a registered member of The Fundraising Regulator. There are no arrangements for others to act on our behalf as professional fundraisers or commercial participators. We have procedures in place to ensure our

staff and volunteers comply with fundraising standards and regulation; we are not aware of any failure by our staff or volunteers to meet these standards. We are committed to acting promptly if we receive any information indicating we have not met these standards.

In 2020/21 we did not receive any complaints about our fundraising activity (2019/20 : nil). If complaints are received, we shall respond quickly and ensure corrective action is taken as required. Those corrective actions might include retraining fundraisers and updating monitoring processes. We have a complaints policy, which can be found at rhs.org.uk/fundraising-promise

We take our responsibilities on managing our contact data very seriously and we strive to ensure that our policies and procedures around data and processing meet our legal requirements, our high expectations and those of our supporters. As part of the risk-based audit plan and in line with the Society’s risk management processes, Internal Audit performs regular reviews of the Fundraising team activities and control environment.

We respect our supporters’ privacy and rights to decide how and if the Society contacts them. We make it easy for supporters to choose how they want to hear from us, and if they ask us not to contact them we will not, unless it is a legal or administrative requirement.

We recognise the need to protect vulnerable people. We ensure that guidance from the Chartered Institute of Fundraising is provided to all fundraising staff to ensure that empathy and respect are demonstrated towards people in vulnerable circumstances and that no donation is sought or gained from someone who may not have the capacity to make an informed and considered decision.

Streamlined Energy and Carbon Reporting

This is the first time that reporting against the Streamlined Energy and Carbon Reporting (SECR) framework has been made and we have been supported by the Carbon Trust in compiling the data.

The methodology used is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance. An operational control approach has been taken. We have used the UK Government greenhouse gas conversion factors for company reporting 2020. Scope 2 emissions from purchased electricity have been measured using a location-based approach.

The RHS total energy consumption for the calendar year 2020 (variation from financial reporting period) is 10,781,992 kWh. This includes all electricity, natural gas, and bulk fuels for buildings, plus fuels for owned vehicles and mobile plant and equipment, and transport fuels for business travel in employee owned cars and hire cars.

For 2020, the total carbon emissions associated with our reported energy use are 2,340 tonnes CO₂e, with the following breakdown by scope:

Carbon Emissions 2020

- Scope 1 emissions (tonnes CO₂e) 1,166
- Scope 2 emissions - purchased electricity (tonnes CO₂e) 1,139
- Scope 3 emissions – business travel where responsible for fuel (tonnes CO₂e) 35
- Scope 1, 2 and 3 emissions (tonnes CO₂e) 2,340

For 2020, our emissions intensity, measured as the total scope 1,2 and 3 emissions relative to the total number of employees (FTE) is 2.33 tonnes CO₂e per FTE.

During the year, the last of the electricity and gas supply to be converted to renewable energy was made at RHS Bridgewater following the completion of construction; all our sites are supplied with renewably sourced mains electricity and gas. Our events, in particular Glow, are LED lit. The addition of new buildings has ensured that new Building Management systems have been installed to regulate and better control energy use.

Trustees’ responsibilities statement

The Trustees are responsible for preparing the Trustees’ Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the 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 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity’s and group’s transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Mr Keith Weed
President of the RHS and Chair of Council
Date: 04 May 2021

Independent auditor’s report

to the Trustees of the Royal Horticultural Society

Opinion

We have audited the financial statements of The Royal Horticultural Society (“the charity”) and its subsidiaries (“the group”) for the year ended 31 January 2021 which comprise the consolidated statement of financial activities, the parent and consolidated balance sheets, the consolidated cash flow statements 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 the parent charity’s affairs as at 31 January 2021 and of the group’s 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 Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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 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 charity’s or the group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees’ report; or
- sufficient and proper accounting records have not been kept by the parent charity; or

- the financial statements are not in agreement with the accounting records and returns; 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 set out on page 36, the trustees 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 group and the parent charity'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 charity 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 as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

London

Date: 19th May 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Crowe U.K. LLP is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.

Consolidated Statement of financial activities

| | Note | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2021 Total £'000 | 2020 Total £'000 |
|--|-----------|-----------------------------|---------------------------|--------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations and Legacies | 3 | 7,575 | 3,960 | 50 | 11,585 | 12,822 |
| Grants | 3 | 5,765 | 132 | - | 5,897 | 3,994 |
| CHARITABLE ACTIVITIES: | | | | | | |
| Members and Communication | | 25,971 | - | - | 25,971 | 24,119 |
| Shows | | 37 | - | - | 37 | 22,817 |
| RHS Gardens | | 5,202 | - | - | 5,202 | 8,531 |
| Communities and Education | | 591 | - | - | 591 | 655 |
| Horticulture | | 133 | - | - | 133 | 141 |
| Science and Collections | | 206 | - | - | 206 | 167 |
| OTHER TRADING ACTIVITIES | | | | | | |
| Trading Income | | 16,985 | - | - | 16,985 | 24,718 |
| Sponsorship Income | | 45 | - | - | 45 | 3,174 |
| INVESTMENTS | 3 | 190 | - | 30 | 220 | 586 |
| OTHER | 12 | 567 | - | - | 567 | 412 |
| Total | | 63,267 | 4,092 | 80 | 67,439 | 102,136 |
| EXPENDITURE ON: | | | | | | |
| RAISING FUNDS | | | | | | |
| Donations and Legacies | 2, 4 | 1,181 | - | - | 1,181 | 1,601 |
| Trading Costs | | 14,442 | - | - | 14,442 | 19,188 |
| Sponsorship | | 240 | - | - | 240 | 519 |
| CHARITABLE ACTIVITIES | | | | | | |
| Members and Communication | | 11,014 | - | - | 11,014 | 10,510 |
| Shows | | 5,135 | - | - | 5,135 | 22,068 |
| RHS Gardens | | 24,839 | 744 | - | 25,583 | 28,654 |
| Communities and Education | | 3,028 | 268 | - | 3,296 | 4,118 |
| Horticulture | | 992 | 7 | - | 999 | 1,492 |
| Science and Collections | | 4,731 | 7 | - | 4,738 | 5,382 |
| OTHER | 13 | 239 | - | - | 239 | 125 |
| Total | | 65,841 | 1,026 | - | 66,867 | 93,657 |
| NET INCOME BEFORE GAINS ON INVESTMENTS | 25 | (2,574) | 3,066 | 80 | 572 | 8,479 |
| Gains on investment assets | 9, 15 | 2,281 | - | 306 | 2,587 | 2,661 |
| NET INCOME | | (293) | 3,066 | 386 | 3,159 | 11,140 |
| Transfers between funds | 22 | 9,126 | (8,989) | (137) | - | - |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension scheme | 22, 29 | (2,519) | - | - | (2,519) | (740) |
| NET MOVEMENT IN FUNDS | 7, 22, 31 | 6,314 | (5,923) | 249 | 640 | 10,400 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | 22, 31 | 159,607 | 9,919 | 6,524 | 176,050 | 165,650 |
| Net movement in funds | | 6,314 | (5,923) | 249 | 640 | 10,400 |
| Total funds carried forward | 22, 31 | 165,921 | 3,996 | 6,773 | 176,690 | 176,050 |

There are no other gains and losses other than those disclosed above. All transactions are derived from continuing activities. The accompanying accounting policies and notes form an integral part of the financial statements and are set out on pages 44–68.

Borders ablaze with late-summer colour at RHS Garden Harlow Carr, North Yorkshire

Balance sheet

As at 31 January 2021
Registered Charity Number: 222879/SC038262

| | | Consolidated | | Society | |
|---|------|--------------|----------|----------|----------|
| | | 2021 | 2020 | 2021 | 2020 |
| | Note | £000 | £000 | £000 | £000 |
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 150,482 | 131,145 | 150,480 | 131,139 |
| Investments in funds | 9 | 35,759 | 60,780 | 35,759 | 60,780 |
| Investments in properties | 15 | 19,638 | 15,720 | 19,638 | 15,720 |
| Investments in trading companies | 16 | - | - | 110 | 110 |
| | | 205,879 | 207,645 | 205,987 | 207,749 |
| CURRENT ASSETS | | | | | |
| Stock | 18 | 2,203 | 2,111 | 76 | 80 |
| Debtors | 19 | 7,206 | 7,285 | 8,239 | 10,960 |
| Cash at bank and in hand | | 9,012 | 7,860 | 6,711 | 6,475 |
| | | 18,421 | 17,256 | 15,026 | 17,515 |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | |
| Income in advance | | (27,633) | (28,576) | (22,331) | (23,274) |
| Creditors | | (9,728) | (11,292) | (11,407) | (17,003) |
| | 20 | (37,361) | (39,868) | (33,738) | (40,277) |
| NET CURRENT LIABILITIES | | | | | |
| | | (18,940) | (22,612) | (18,712) | (22,762) |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | | | | | |
| | 21 | (2,594) | (3,044) | (2,594) | (3,044) |
| NET ASSETS BEFORE PENSION LIABILITY | | | | | |
| Defined benefit pension scheme liability | 29 | 184,345 | 181,989 | 184,681 | 181,943 |
| | | (7,655) | (5,939) | (7,655) | (5,939) |
| NET ASSETS AFTER PENSION LIABILITY | | | | | |
| | | 176,690 | 176,050 | 177,026 | 176,004 |
| CAPITAL FUNDS | | | | | |
| Endowments | 22 | 6,773 | 6,524 | 6,773 | 6,524 |
| INCOME FUNDS | | | | | |
| Restricted funds | 22 | 3,996 | 9,919 | 3,996 | 9,919 |
| Unrestricted funds: | | | | | |
| Designated funds | 22 | 172,120 | 164,244 | 172,120 | 164,244 |
| General & Trading funds | 22 | 1,456 | 1,302 | 1,792 | 1,256 |
| Pension Reserve | 22 | (7,655) | (5,939) | (7,655) | (5,939) |
| Total unrestricted funds | | 165,921 | 159,609 | 166,258 | 159,561 |
| TOTAL FUNDS | | | | | |
| | 22 | 176,690 | 176,050 | 177,026 | 176,004 |

The accompanying accounting policies and notes form an integral part of the financial statements and are set out on pages 44–68.
These accounts were approved by Council on 04 May 2021 and signed on their behalf by:

Mr Keith Weed (President)

Mr Matthew Lindsey-Clark (Treasurer)

Consolidated statement of cash flows

For the year ended 31 January 2021

| | | 2021 | 2020 |
|--|--------|----------|----------|
| | Note | £'000 | £'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net cash provided by operating activities | 25 | 1,582 | 19,863 |
| Cash flows from investing activities | | | |
| Interest received from investments | | 2 | 2 |
| Dividends received from investments | | 218 | 584 |
| Sale of investments | 9 | 30,000 | 29,354 |
| Purchase of tangible fixed assets | 14 | (26,431) | (41,127) |
| Purchase of investments | 9 | (4,218) | (10,939) |
| Movement in cash within pooled investments | | 229 | 1,313 |
| Net cash used in investing activities | | (200) | (20,813) |
| Change in cash and cash equivalents in the reporting period | 26, 27 | 1,382 | (950) |
| Cash and cash equivalents at the beginning of the reporting period | 26, 27 | 12,801 | 13,751 |
| Cash and cash equivalents at the end of the reporting period | 26, 27 | 14,183 | 12,801 |

The accompanying accounting policies and notes form an integral part of the financial statements and are set out on pages 44–68.

Notes to the financial statements

1. Charity information

The Royal Horticultural Society was founded in 1804 and awarded a Royal Charter in 1861. It is a registered charity in England and Wales (charity number: 222879) and also in Scotland (charity number: SC038262).

2. Accounting policies

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, are prepared under the historical cost convention with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)).

The accounts (financial statements) have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following the 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) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

Across the RHS work is advanced to meet our Strategic Investment Programme commitment to invest into the future of horticulture over the 10 years to 2023/24.

After reviewing the Society’s forecasts and projections, the Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. The Trustees believe the Society is a going concern and have prepared the financial statements on that basis.

Group financial statements have been prepared in respect of the Society and its wholly owned subsidiaries. The Society’s trading subsidiaries are RHS Enterprises Limited and RHS Special Events Limited. These subsidiaries are consolidated on a line-by-line basis and have the same accounting reference date as the Society. In addition, Horticultural Halls Limited, RHS Publications Limited and

The Northern Horticultural Society Limited are dormant subsidiaries. The Society also jointly administers The Shropshire Horticultural Society (Wisley Trainee) Charitable Trust, the Society’s share of which is shown in Note 22 Funds, and The Lindley Library Trust, a subsidiary charity of the RHS.

RHS is a registered charity and as such is potentially exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes. There was no tax charge during the year. The subsidiaries donate, under Gift Aid, all distributable profits to the charity each year.

The Society has taken advantage of the exemption in FRS 102 from the requirement to prepare Statement of Cash Flows and certain disclosures about the Society’s financial statements.

Going concern

A year on from the onset of the pandemic, the impact and measures required to adapt to Covid-19 are a lot clearer. The numbers of visitors to Gardens and the retail outlets have become more predictable with the experience gained in operating to fixed capacities and timed entry system. Online sales have remained robust throughout and the capacity and supply constraints experienced last year have been ironed out. Throughout, members have remained loyal and donors generous in their support.

While much uncertainty remains, the publication of the Government roadmap out of lockdown has also allowed us to plan for a full summer of events with a higher degree of confidence. The openings of RHS Garden Bridgewater and RHS Hilltop – The Home of Gardening Science at Wisley have been timed to fall after the provisional dates provided by the Government for recommencement of public gatherings; this should both provide further underpinning to our visitor numbers and related activity. We are also planning to scale up our catering facilities as restrictions on hospitality are lifted.

As for the Shows, the originally scheduled dates for RHS Hampton Court Palace Garden Festival and RHS Flower

Show Tatton Park are both after the provisional 21 June date for the lifting of all limits on social contact, and RHS Chelsea Flower Show has been rescheduled from May to September. While this deferral initially resulted in a small number of requests for refunds, this has since been offset by new sales, and ticket sales for all shows are currently in line with expectations.

The budget for 2021/22 was prepared on a cautious basis assuming continued restrictions on visitor numbers to the Gardens and the Shows. In addition, it allows for the ring-fencing of some expenditure that could be delayed or cancelled if there is a further deterioration in the operating environment for the Society. As part of the 2021/22 budgeting process, a number of more extreme downside scenarios were considered (including the cancellation of RHS Chelsea Flower Show on the eve of its opening), in all of which the Society would have sufficient cash and cash investment reserves to continue to fund its operations.

Reserves have been significantly depleted during the last year and it is acknowledged by Council that it will take time and focus to rebuild them over future years. However, in addition to its cash and investments, the Society does have unencumbered property assets in Vincent Square, London and residential properties in Wisley Village against which loans could be advanced as a last resort. In addition, we have secured a £10m revolving bank facility, which provides a further cushion to meet any short-term cash outflows.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

Judgements in applying accounting policies and key sources of estimation uncertainties

In the application of the charity’s accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities: the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 29.

Valuation of land, buildings and investment properties: the charity’s land, buildings and investment properties are stated at their estimated fair value based on professional valuations as disclosed in note 15.

Fund accounting

Unrestricted funds comprise the Designated funds, the General fund, non-charitable trading funds, and the Pension Reserve. Designated funds are General funds designated for specific purposes by Council. The General fund is the accumulation of surpluses and deficits and is available for use at the discretion of Council in furtherance of the Society’s general charitable objectives. The non-charitable trading funds represent the reserves of the trading subsidiaries. The Pension Reserve represents the deficit or surplus on the Royal Horticultural Society (1974) Pension Scheme on an FRS 102 basis (see Note 29).

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donors. Permanent endowment funds are capital funds where Council has no power to convert the capital into income. The Society’s endowment funds are managed on a total return distribution basis. Income generated from the endowment funds are added to the capital endowment fund. Up to a maximum of 3.5% of the endowment fund balance at 30 September is released as restricted income in the following financial year.

The Society was granted permission by the Charity Commission on 28 November 2012 to adopt the use of a total return policy in relation to its permanent endowment funds. The Society adopted the policy from the financial year ended 31 January 2014.

Funds transfers primarily arise when endowment funds are transferred to restricted funds under the total return distribution basis. Funds transfers also arise from the expenditure of restricted funds on capital projects. The funds are transferred into general and unrestricted funds as the capital costs are expended. Fund transfers can also arise due to the reclassification of a restriction.

Income

Income is recognised in the Statement of Financial Activities when the RHS is entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred. The following specific policies apply to categories of income:

Members and Communication income is mainly made up of membership subscriptions which are credited to incoming resources over the period to which the membership relates. Life subscriptions are credited to income in equal instalments over a 10-year period.

Legacies are accounted for based on settlement of the estate or receipt of payment, whichever is earlier.

Donations include Gift Aid donations on membership subscriptions and garden entry tickets.

Grants received in advance of the associated work being carried out are deferred only when the donor has imposed preconditions on the expenditure of resources. Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received.

Shows income primarily includes ticket sales, trade stand sales, catering commission and other sundry show income such as show guide and car parking sales. Income in advance for shows and other activities is recognised at the time of the show or other activity.

RHS Gardens’ income includes garden entry ticket sales, catering sales and event income.

Communities and education income includes sponsorship of community projects, as well as exam and course fees for horticultural qualifications. Exam fee income is recognised at the time of the exam sitting.

Horticultural income is generated from membership subscriptions and insurance renewals from Affiliated Societies. All gardening clubs and horticultural societies with an annual membership subscription are eligible to join the RHS Affiliated Societies scheme.

Science and Collections income is primarily funding received from outside bodies to carry out horticultural scientific studies.

Trading income is generated through retail areas at each RHS Garden, mail-order and e-commerce sales, the letting out of event space in The Horticultural Halls in London, publications such as The Garden magazine, commercial

images and gala income from the RHS Chelsea Flower Show and the RHS Hampton Court Palace Garden Festival.

Sponsorship income is generated through sponsorship of the RHS Flower Shows and the sale of show television rights.

Investment income is generated from dividends and interest received from RHS investments. The RHS invests its funds in liquid instruments under discretionary mandates with third-party investment managers. Funds anticipated to be spent within five years are invested in short-term fixed-income securities or cash, while funds that are not expected to be utilised within five years are invested on a real return investment mandate. Investment income is recognised on an accruals basis.

Other income is generated primarily from properties in Wisley village rented on the open market.

Expenditure

All expenditure is accounted for on an accruals basis and has been allocated to the appropriate heading in the accounts. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of the resource.

Expenditure on raising funds includes the costs incurred in generating voluntary income. Donations and legacies expenditure are the costs of those activities. Charitable activity expenditure represents the costs of shows, gardens, scientific, educational, editorial activities and membership services.

All resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any irrecoverable VAT.

Allocation of support costs

Support costs relate to those functions that assist the work of the Group but do not directly undertake charitable activities. Support costs include the Leadership Team, HR, Finance and Estates, Communications, IT and Governance which support the RHS activities.

Where support costs are directly attributable to the charitable purpose they have been directly allocated. Remaining support costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 5.

Tangible Fixed Assets

Freehold land is considered to have an indefinite useful life and is not depreciated.

Fixed assets are stated at cost, deemed cost or donated valuation. Where it has been identified that the recoverable amount of a fixed asset is below its net book value the asset is written down to its recoverable amount and the impairment loss is recognised in the Statement of Financial Activities.

Equipment purchases below £2,000 are treated as revenue items.

Depreciation is calculated to write off the cost of fixed assets by equal instalments over their expected useful economic lives. The depreciation rates are as follows:

Freehold and leasehold buildings 2%, Motor vehicles 20%, Plant and equipment, fixtures and fittings, software, infrastructure 5 to 33%.

Fixed assets under construction are not depreciated until the asset has reached completion; upon completion the asset is transferred to the appropriate fixed asset class and depreciated at the appropriate rate.

The useful economic life of the revalued properties in Wisley village was assessed in 2016. This was deemed to be 50 years from the initial revaluation date of 1 February 2014.

Heritage Assets

The RHS holds two categories of Heritage Assets, the Lindley Library Collection and the RHS Herbarium. This is explained further in Note 17. As reliable cost information is not available and conventional valuation approaches lack sufficient meaning given that certain aspects of these assets are irreplaceable, no value is included on the balance sheet in respect of these assets. All subsequent expenditure incurred on the heritage assets are reviewed to determine whether it meets the criteria set out in FRS 102 for capitalising subsequent expenditure on an asset. Where the criteria is not met the expenditure is accounted for through the Statement of Financial Activities.

Expenditure that is required to preserve or prevent further deterioration of individual collection items is recognised in the Statement of Financial Activities when it is incurred. The policies for management and preservation of the collections are stated in Note 17.

Investments in Funds

Investments in Funds are stated at fair value determined by market value on the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. The funds are largely invested to generate an above-inflationary return.

Investment properties

Investment properties are stated at their market value at the balance sheet date. No depreciation is provided for in respect of investment properties in accordance with FRS 102. Such properties are held for their investment potential and not for consumption within the business.

Operating leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Pension schemes

The Society contributed during the year to a defined benefit scheme, which was closed to new entitlements in January 2002 and was closed to future service accruals in May 2009. The pension scheme is administered by Trustees and the assets are held separately from those of the Society. Independent actuaries complete valuations at frequent intervals, usually triennially.

The fund movements and liabilities for this scheme have been recognised in the accounts according to the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and as detailed in Note 29.

The Society also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme by the Society in respect of the accounting period.

Stock

Stock is valued at the lower of cost and net realisable value. It substantially relates to products sold in the retail shops and plant centres at our Gardens and shows. It does not include any work in progress.

Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade debtors, other debtors and accrued income.

Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

Financial assets held at fair value include investments, excluding cash held as part of the investment portfolio.

Termination payments

Termination payments are payable when employment is terminated before the normal retirement date, or

3. Income

Legacy income

The estimated value of legacies notified but neither received nor included in income is £2,014k (2020: £1,356k).

Grant income

During the year the Society received a grant from Rural Payments Agency towards the Welcome Building RHS Bridgewater, Salford Council for Swinton Care and Defra for Science all of which meet the definition of a Government grant. The Society also received grants in connection to the Coronavirus Job Retention Scheme and have been recognised in the period to which the

whenever an employee accepts redundancy in exchange for these benefits. The charity recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or (ii) providing termination payments as a result of an offer of redundancy, or (iii) the employee’s contract is terminated and payment has been made in full.

underlying furloughed staff costs relate to. Included in income is an amount of £3,912k in respect of this. There are no unfulfilled conditions or contingencies relating to this grant or other forms of Government assistance, from which the charity has directly benefitted, recognised in the accounts

Investment income

Investment income of £220k (2020: £586k) is made up of income from investments of £218k (2020: £584k) and interest from cash holdings of £2k (2020 £2k).

4. Analysis of expenditure – Group

The total resources expended on charitable and fundraising activities in the Group during the year comprise the following:

| | Direct Cost £’000 | Support Cost £’000 | 2021 Total £’000 | 2020 Total £’000 |
|---|----------------------|-----------------------|---------------------|---------------------|
| Charitable expenditure | | | | |
| Members and Communication | 10,076 | 938 | 11,014 | 10,510 |
| Shows | 4,666 | 469 | 5,135 | 22,068 |
| RHS Gardens | 20,725 | 4,858 | 25,583 | 28,654 |
| Communities and Education | 2,683 | 613 | 3,296 | 4,118 |
| Horticulture | 771 | 228 | 999 | 1,492 |
| Science and Collections | 3,571 | 1,167 | 4,738 | 5,382 |
| Total expenditure on charitable activities | 42,492 | 8,273 | 50,765 | 72,224 |
| Raising funds expenditure | | | | |
| Donations and Legacies | 940 | 241 | 1,181 | 1,601 |
| Trading | 12,410 | 2,032 | 14,442 | 19,188 |
| Sponsorship | 192 | 48 | 240 | 519 |
| Total expenditure on raising funds activities | 13,542 | 2321 | 15,863 | 21,308 |
| Other | 239 | - | 239 | 125 |
| Total expenditure | 56,273 | 10,594 | 66,867 | 93,657 |

Total support costs across all activities include costs associated with providing central management, IT, HR, Finance and other central services to the Society’s staff, volunteers, gardens and other activities (see Note 5).

5. Analysis of total support costs – Group

| | Donations and Legacies £’000 | Trading £’000 | Sponsorship £’000 | Charitable Activities £’000 | 2021 Total £’000 | 2020 Total £’000 |
|---------------------|------------------------------------|------------------|----------------------|-----------------------------------|------------------------|------------------------|
| Leadership Team | 6 | 55 | 1 | 221 | 283 | 264 |
| Finance and Estates | 74 | 624 | 15 | 2,541 | 3,254 | 4,264 |
| IT | 99 | 836 | 20 | 3,403 | 4,358 | 4,561 |
| Risk & Governance | 21 | 175 | 4 | 714 | 914 | 1,213 |
| Communications | 18 | 153 | 4 | 624 | 799 | 789 |
| HR | 23 | 189 | 4 | 770 | 986 | 1183 |
| | 241 | 2,032 | 48 | 8,273 | 10,594 | 12,274 |

Where support costs are specifically attributable to the activity, they have been directly allocated. Remaining support costs have been apportioned on a full year equivalent headcount basis.

6. Risk and Governance costs

| | 2021 £’000 | 2020 £’000 |
|-------------------|---------------|---------------|
| Audit Fees | 54 | 53 |
| Internal Audit | 423 | 437 |
| Health and Safety | 95 | 150 |
| Secretariat | 123 | 311 |
| Legal | 219 | 262 |
| | 914 | 1,213 |

Risk and Governance costs relate to the general running of the Society and include costs for internal and external audit, health and safety, safeguarding, legal and Secretariat costs associated with meeting constitutional and statutory requirements such as the cost of Trustee meetings and the preparation of the statutory accounts.

7. Net movement of funds

Net movement of funds is arrived at after charging/(crediting):

| | 2021 £’000 | 2020 £’000 |
|--|---------------|---------------|
| Depreciation (including trading companies) | 5,002 | 4,727 |
| Auditors’ remuneration: | | |
| - Statutory audit current year | 54 | 53 |
| - Tax services | 14 | 17 |
| - Other professional services | - | 7 |
| Operating lease rentals - Land and Buildings | 84 | 84 |
| - Other Assets | 157 | 150 |

8. Employee remuneration

| | Permanent Staff | | Casual Staff | | Total | |
|-----------------------------------|-----------------|--------|--------------|-------|--------|--------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Employee costs during the period: | | | | | | |
| Salaries and wages | 27,199 | 27,413 | 731 | 1,094 | 27,930 | 28,507 |
| Social Security | 2,486 | 2,587 | 22 | 41 | 2,508 | 2,628 |
| Pensions | 2,049 | 2,074 | 6 | 4 | 2,055 | 2,078 |
| | 31,734 | 32,074 | 759 | 1,139 | 32,493 | 33,213 |

All staff are contracted to the Society.

Redundancy and termination payments in 2021 amounted to £647k (2020: £363k). These payments were as a result of a review of resources required. There are redundancy and termination payment liabilities of £45k for 2021 (2020: £nil).

The average number of regular full-time and regular part-time employees during the year was:

| | 2021 | 2020 |
|---|--------|--------|
| | Number | Number |
| Staff employed in funds generation: | | |
| Trading activities | 169 | 183 |
| Fundraising activities | 20 | 16 |
| Staff employed in disbursement of Charitable expenditure: | | |
| Members and Communication | 78 | 69 |
| Shows | 39 | 43 |
| RHS Gardens | 404 | 387 |
| Communities and Education | 51 | 50 |
| Horticulture | 19 | 19 |
| Science and Collections | 97 | 94 |
| Support | 133 | 144 |
| | 1,010 | 1,005 |

Key management personnel for the Group and for the Society are the same and have been determined to be the Leadership Team and the Trustees. See page 31 for a list of members of the Leadership Team.

Remuneration in respect of the Leadership Team was as follows:

| | 2021 | 2020 |
|-----------------------|-------|-------|
| | £'000 | £'000 |
| Emoluments | 1,826 | 1,828 |
| Pension contributions | 114 | 107 |
| | 1,940 | 1,935 |

During the year, 10 Leadership Team members participated in the defined contribution pension scheme. The total number of employees whose remuneration and benefits in the year exceeded £60,000, excluding pension and National Insurance contributions paid directly by the Society, was:

| | 2021 | 2020 |
|---------------------|--------|--------|
| | Number | Number |
| £60,001 – £70,000 | 16 | 14 |
| £70,001 – £80,000 | 7 | 9 |
| £80,001 – £90,000 | 8 | 8 |
| £90,001 – £100,000 | - | 4 |
| £100,001 – £110,000 | 2 | 2 |
| £110,001 – £120,000 | 3 | 3 |
| £120,001 – £130,000 | 2 | 2 |
| £140,001 – £150,000 | 2 | - |
| £150,001 – £160,000 | 1 | 1 |
| £170,001 – £180,000 | 1 | 1 |
| £230,001 – £240,000 | 1 | 1 |
| | 43 | 45 |

The two highest paid directors are paid the equivalent of Society pension contributions directly as part of remuneration.

During the year the Society made contributions of £287k (2020: £294k) into defined contribution schemes.

No remuneration has been paid to any member of the RHS Council. Council members receive complimentary show tickets in accordance with their role for the RHS Chelsea Flower Show, the RHS Hampton Court Palace Garden Festival, and the RHS Flower Show Tatton Park.

Council members were reimbursed a total of £2k (2020: £13k) for travel and subsistence expenses during the period. The number of Council members reimbursed for expenses was 5 (2020: 11).

The Society directly received help from 2,110 volunteers during the year. This included 1,343 regular on-site volunteers in the RHS Gardens and Libraries, 207 off-site volunteers supporting our community work and 560 expert supporters of the Society who serve on its boards, committees, forums, show judges and advisory groups.

9. Fixed Asset investments in funds

| | UK Cash Instruments £'000 | UK Property £'000 | Unit Trusts £'000 | Total £'000 |
|--|---------------------------------|-------------------------|-------------------------|----------------|
| Market Value at 1 February 2020 | - | 108 | 60,672 | 60,780 |
| Less: Disposal proceeds | - | - | (30,000) | (30,000) |
| Add: acquisitions at cost | - | - | 4,000 | 4,000 |
| Add: net gain on revaluation at 31 January | - | - | 761 | 761 |
| Less: net movement in cash | - | - | - | - |
| Add: accumulation dividends reinvested | - | - | 218 | 218 |
| Market value at 31 January 2021 | - | 108 | 35,651 | 35,759 |
| Historical cost at 31 January 2021 | - | 30 | 33,232 | 33,262 |
| Analysed as follows | | | | £'000 |
| UK Fixed Interest | | | | 6,556 |
| Overseas Fixed Interest | | | | 14,372 |
| UK Equities | | | | 743 |
| Overseas Equities | | | | 5,848 |
| Index Linked | | | | 2,237 |
| Commodities | | | | 724 |
| Cash Instruments held within pooled investment vehicles* | | | | 5,171 |
| | | | | 35,651 |
| Cash Instruments held separately** | | | | - |
| Market value at 31 January 2021 | | | | 35,651 |
| UK Property | | | | 108 |
| Market value at 31 January 2021 | | | | 35,759 |
| Investments in UK at market value | | | | 13,195 |
| Investments outside the UK at market value | | | | 22,456 |
| Market value of UK and non-UK investments | | | | 35,651 |

*Cash instruments held within pooled investment vehicles managed by third-party investment managers
**Cash instruments managed by RHS

Restricted and unrestricted funds at market value of £29m are invested in a diversified portfolio of equity, fixed interest, other diversifying strategies and cash investments with a level of risk appropriate to the Society’s charitable status.

Endowment funds amounting to £6.8m are invested in compliance with the Trustees Act 2000.

Investments that represented more than 5% of the total portfolio were as follows:

| | £'000 |
|---|--------|
| RLAM Cash Plus Fund | 21,061 |
| Troy Trojan Fund | 6,580 |
| Veritas Global Real Return Fund | 8,010 |
| Total gain on investment assets | £'000 |
| Net gain on revaluation of investments at 31 January 2021 | 761 |
| Loss on revaluation of investment properties* | 1,826 |
| | 2,587 |

*Investment properties are included in Note 15.

10. Taxation

The two trading subsidiaries donate all their allowable taxable profits under Gift Aid to the Society by way of a Deed of Covenant which exists between each party. For each, this creates a legally binding obligation on the subsidiary to pay any profit before taxation to the Society, as its parent. Tax relief in full is recognised as income by the Society when the profits are donated under Gift Aid by the subsidiaries.

11. Commitments for future expenditure

Future capital commitments for budgeted spend and on signed contracts are £2.4m (2020: £20.3m), relating to the projects within the Strategic Investment Programme. Included in this number are commitments for RHS Garden Bridgewater (£743k), Wisley Historic Core (£710k) and RHS Hilltop – The Home of Gardening Science (£888k).

12. Other income

Other income of £567k (2020: £412k) are primarily from rental income from investment properties in Wisley village.

13. Other expenditure

Other expenditure of £239k (2020: £125k) includes expenditure on the investment properties in Wisley village and investment management fees.

14. Tangible Fixed Assets

| Consolidated | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Buildings on Wisley trust land £'000 | Assets in construction £'000 | Plant and equipment £'000 | Fixtures and Fittings £'000 | Total £'000 |
|---------------------|--|---|---|------------------------------------|---------------------------------|--------------------------------------|----------------|
| COST/MARKET VALUE | | | | | | | |
| At 1 February 2020 | 98,332 | 1,095 | 951 | 44,560 | 6,229 | 5,730 | 156,897 |
| Additions | 1,737 | - | - | 24,233 | 489 | (28) | 26,431 |
| Disposals | - | - | - | - | - | - | - |
| Reclassifications | (2,422) | - | - | - | - | - | (2,422) |
| Transfers | - | - | - | - | - | - | - |
| At 31 January 2021 | 97,647 | 1,095 | 951 | 68,793 | 6,718 | 5,702 | 180,906 |
| DEPRECIATION | | | | | | | |
| At 1 February 2020 | 20,109 | 461 | 380 | - | 3,331 | 1471 | 25,752 |
| Charge for the year | 3,349 | 19 | 19 | - | 1,058 | 558 | 5,003 |
| Disposals | - | - | - | - | (1) | - | (1) |
| Reclassifications | (330) | - | - | - | - | - | (330) |
| At 31 January 2021 | 23,128 | 480 | 399 | - | 4,388 | 2,029 | 30,424 |
| NET BOOK VALUE | | | | | | | |
| At 31 January 2021 | 96,090 | 615 | 552 | 47,220 | 2,332 | 3,673 | 150,482 |
| At 1 February 2020 | 78,223 | 634 | 571 | 44,560 | 2,898 | 4,259 | 131,145 |

No assets are held under finance lease. All tangible assets are used for charitable purpose.

Society

| | Freehold land and buildings £'000 | Leasehold land and buildings £'000 | Buildings on Wisley trust land £'000 | Assets in construction £'000 | Plant and equipment £'000 | Fixtures and Fittings £'000 | Total £'000 |
|--------------------------|--|---|---|------------------------------------|---------------------------------|--------------------------------------|----------------|
| COST/MARKET VALUE | | | | | | | |
| At 1 February 2020 | 98,332 | 1,095 | 951 | 44,560 | 6,229 | 5,638 | 156,805 |
| Additions | 1,737 | - | - | 24,233 | 489 | (30) | 26,429 |
| Disposals | - | - | - | - | - | - | - |
| Reclassifications | (2,422) | - | - | - | - | - | (2,422) |
| Transfers | - | - | - | (2) | 2 | - | - |
| At 31 January 2021 | 97,647 | 1,095 | 951 | 68,791 | 6,720 | 5,608 | 180,812 |
| DEPRECIATION | | | | | | | |
| At 1 February 2020 | 20,109 | 461 | 380 | - | 3,331 | 1,385 | 25,666 |
| Charge for the year | 3,349 | 19 | 19 | - | 1,058 | 552 | 4,997 |
| Disposals | - | - | - | - | (1) | - | (1) |
| Reclassifications | (330) | - | - | - | - | - | (330) |
| At 31 January 2021 | 23,128 | 480 | 399 | - | 4,388 | 1,937 | 30,332 |
| NET BOOK VALUE | | | | | | | |
| At 31 January 2021 | 96,090 | 615 | 552 | 47,220 | 2,332 | 3,671 | 150,480 |
| At 1 February 2020 | 78,223 | 634 | 571 | 44,560 | 2,898 | 4,253 | 131,139 |

During the year, nine freehold properties in Wisley village were refurbished and rented on the open market and one freehold property reclassified from investment properties to fixed assets, as shown in Note 15.

15. Investment properties

| | Consolidated | | Society | |
|--|--------------|--------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Market valuation at 1 February | 15,720 | 15,420 | 15,720 | 15,420 |
| Additions | - | 184 | - | 184 |
| Reclassifications from Tangible Fixed Assets | 2,092 | 586 | 2,092 | 586 |
| Revaluation gain/(loss) | 1,826 | (470) | 1,826 | (470) |
| Market valuation at 31 January | 19,638 | 15,720 | 19,638 | 15,720 |

Market valuations were provided by an independent property agent in January 2021. These are based on the fair value of the properties at the balance sheet date, which is deemed to be the open market values at January 2021 for RHS-owned residential properties within Wisley village that are either vacant and are being prepared to rent on the open market, or are for properties that are currently on the open rental market. There has not been a significant change in value between the date of the valuation and the balance sheet date.

The state of repair and condition of the properties has been taken into account, but they do not include building surveys or inspection of areas that were covered, unexposed or inaccessible.

16. Investment in trading and other companies

| | Company registration number | 2021 £'000 | 2020 £'000 | |
|-------------------------|-----------------------------------|---------------|---------------|---------|
| RHS Enterprises Ltd | 01211648 | 100 | 100 | Trading |
| RHS Special Events Ltd | 03119017 | - | - | Trading |
| Horticultural Halls Ltd | 02074555 | 10 | 10 | Dormant |
| RHS Publications Ltd | 04438083 | - | - | Dormant |
| | | 110 | 110 | |

The Profit and Loss Account and Balance Sheet for the two trading subsidiaries are shown below.

| | RHS Enterprises Ltd £'000 | RHS Special Events Ltd £'000 |
|--|---------------------------------|------------------------------------|
| Profit & Loss Account | | |
| Turnover | 16,645 | - |
| Cost of sales | (5,743) | (72) |
| Gross profit | 10,902 | (72) |
| Administration expenses (net of interest receivable) | (7,313) | (144) |
| Other operating income | 387 | 73 |
| Net profit | 3,976 | (143) |
| Taxation | (756) | - |
| Profit for the year | 3,220 | (143) |
| Balance Sheet | | |
| Fixed Assets | | |
| Current Assets | 4,364 | 1,190 |
| Unsecured Loan to the Society | - | 3,500 |
| Current Liabilities | (2,923) | (4,836) |
| Long Term Liabilities | (4) | - |
| Amounts owing to the Society | (1,281) | (8) |
| Net Assets/(Liabilities) | 156 | (154) |
| Share Capital | 100 | - |
| Reserves | 56 | (154) |
| Equity Shareholders' Funds | 156 | (154) |

The unsecured loans to the Society incur interest at 2% above the Bank of England base rate. The loans help fund the Society's Strategic Investment Programme and will be repaid after the projects have been completed.

The subsidiaries donate, under Gift Aid, all distributable profits to the charity each year.

17. RHS Heritage Assets

The RHS holds two categories of Heritage Assets, the Lindley Library Collection and the RHS Herbarium. These assets are not valued on a regular basis as the Trustees do not believe that the value of ascertaining their market value would be commensurate with the associated cost.

The RHS Lindley Library Collection

The RHS Lindley Library Trust of which the members of Council of the RHS are Trustees holds an extensive collection of Heritage Assets that are held and maintained principally for their contribution to the knowledge of horticulture. They relate to the history of the Society and its many activities – such as its scientific work and flower shows. Its collections also encompass the wider history of horticulture in this country, covering 500 years of the history of gardening and garden plants. They document the art, science and practice of horticulture including growing fruit and vegetables, social history of gardening, plant exploration, domestic produce and allied activities such as beekeeping and commercial horticulture.

The collections are in four main areas:

- Printed works: the Library contains more than 90,000 books, dating from 1514 to the present day. Its special strengths are rare early gardening works and hand-coloured illustrated works on garden plants, especially from the 19th century. It has extensive holdings of ephemeral material including the largest collection of nursery catalogues in this country, plus garden guides, posters, postcards – all connected to gardens and gardening.
- Archives and manuscripts: the Library holds the archives of the Society, which provide an unrivalled record of the development of the RHS since its foundation in 1804, as well as 500 years of the history of gardening and flower shows. It also contains the archives of important horticultural personalities and commercial firms; the archive collection is a unique resource for historians.
- Artefacts: the collection includes medals and trophies, garden tools, scientific equipment, historically significant objects relating to the RHS, and merchandising examples.
- Art and Images: the collection includes more than 28,000 botanical art works depicting garden plants, a special collection of more than 7,000 orchid paintings, and approximately 200,000 photographs from the late 19th century onwards (including rare autochromes and cartes de visite).

Acquisitions to the collections are made by purchase or donation according to the Collections Policy. Disposals generally occur when an item is a duplicate of another item in the collection (some duplicates are kept for

operational purposes) or an item does not accord with the Collections Policy. Any monies acquired from disposal of items such as via book sales, are used to purchase other items for the collections or to fund library projects.

Public access

The Library is part of the charitable delivery of the RHS. Its collections are accessible to researchers and the wider public through its five libraries, its enquiry service, through a detailed online catalogue, exhibitions, publications and an ongoing programme of digitisation. The Library also lends items to external organisations that meet its condition of loan requirements. More than 70,000 visitors use the libraries each year.

Herbarium

The RHS Herbarium at Wisley is the largest herbarium dedicated to the study and research of ornamental plants in the UK and has an international role as a major repository of standard specimens of cultivated garden plants.

Composition and remit:

- The current herbarium holds more than 90,000 specimens, mostly collected post-1980 but many earlier specimens. Gathering of specimens began around 1960.
- Most specimens are of ornamental plants. Collections come principally from the following sources:
 - i RHS Gardens, especially Wisley
 - ii RHS Plant Trials
 - iii RHS Shows, primarily the plants that are given awards
 - iv Plant Heritage collections
 - v Plants sent for identification to RHS Botanists by members
 - vi Donations from other herbaria
- It incorporates a number of major collections including the British Pteridological Society (BPS) herbarium of fern cultivars, the Alpine Garden Society and the Heather Society herbaria and the Frederick Hanbury Herbarium of European plants collected mainly in the 19th century.
- In 2017 the RHS began a project to document ornamental plants in cultivation in the UK. This has involved collecting specimens from other UK public gardens of plants not already represented in the RHS Herbarium.
- Around 1,000 new specimens are collected and pressed each year.
- Wild-collected plants are not a focus of the herbarium, but are represented by a number of collections:

- i Hanbury Herbarium
- ii Botanical expeditions searching for garden-worthy plants, such as George Forrest, Ludlow & Sherriff, and some more recent Society-funded expeditions.
- iii Donated historical collections.
- iv Native and naturalised plants, invasive species and garden weeds.

- Crop plants, including fruit and vegetables, are not represented to any extent in the herbarium.

All new acquisitions and disposals are reviewed against the Accession Policy (May 2008).

The RHS Herbarium is continuing to capture digital images of its specimens.

Nomenclatural Standards Collection:

These are specimens or images that are used authoritatively to fix the identity of a cultivated plant and are the equivalent of type specimens in botanical herbaria.

- The RHS Herbarium at Wisley was one of the foremost proponents of the Standard Specimen programme, now an integral part of the International Code of Nomenclature for Cultivated Plants (2016).
- There are 10,050 standard specimens in the herbarium to date (2,750 herbarium specimens, 7,300 images).
- The herbarium continues to add to its collection of standard cultivated garden plants from RHS Plant Trials, RHS Shows and contributions directly from nurseries and breeders.
- The RHS Herbarium is a member of the Global Plants Initiative (GPI), among more than 300 herbaria worldwide. The RHS has contributed images of all its nomenclatural standards and type specimens to the GPI which can be viewed online on the JSTOR website.

18. Stock

| | Consolidated | | Society | |
|---------------------------|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Finished goods for resale | 2,127 | 2,031 | - | - |
| Other | 76 | 80 | 76 | 80 |
| | 2,203 | 2,111 | 76 | 80 |

Image Collection:

The current herbarium is complemented by an extensive image collection, consisting of:

- Around 3,300 watercolour paintings of plants that received an award either in trial or at a show mainly between 1920 and 1955. These paintings have now been digitised.
- Around 50,000 colour transparencies of plants, mainly from the gardens, shows and trials between 1970 and 2010 (image acquisition is predominantly digital nowadays and dealt with separately to the herbarium).

Collector’s notes:

The herbarium specimens are complemented by an additional 13,000 pages of plant lists, collecting notes, images and/or letters pertinent to field work undertaken during expeditions part-sponsored by the RHS (c. 1910 – 1980s).

Access:

The collections are occasionally sent on loan to other recognised herbaria or other institutions. However, the most frequent users of the collection are amateur gardeners and loans cannot be made to them. A programme has begun to digitise the RHS Herbarium collections and make them available online. All of the specimens have been imaged and so requests to consult the collections are now fulfilled by sending the digital images, thus reducing the risk of damage to, or loss of, the specimens. It is expected that the images will be made available on the RHS website during 2021. The collections are regularly used to support exhibitions, displays and training activities, and herbarium staff give presentations at international conferences to highlight the value of the Society’s specimen collections.

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19. Debtors due within one year

| | Consolidated | | Society | |
|-------------------------------|--------------|-------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 2,536 | 3,349 | 1,752 | 1,833 |
| Amounts due from subsidiaries | - | - | 1,525 | 5,520 |
| Other debtors | 777 | 582 | 634 | 590 |
| Taxation recoverable | 246 | 245 | 881 | 245 |
| Prepayments | 2,149 | 2,320 | 2,110 | 2,120 |
| Accrued income | 1,498 | 789 | 1,337 | 652 |
| | 7,206 | 7,285 | 8,239 | 10,960 |

20. Creditors amounts falling due within one year

| | Consolidated | | Society | |
|-----------------------------------|--------------|--------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Income in advance: | | | | |
| Deferred members' subscriptions | 13,828 | 13,369 | 13,828 | 13,369 |
| Income in advance: other | 13,805 | 15,207 | 8,503 | 9,905 |
| Income in advance total | 27,633 | 28,576 | 22,331 | 23,274 |
| | | | | |
| Trade creditors | 2,794 | 2,055 | 2,449 | 1671 |
| Loans from subsidiaries (Note 16) | - | - | 3,500 | 7,500 |
| Taxation and social security | 357 | 874 | - | 379 |
| Other creditors | 1,726 | 1,171 | 1,158 | 978 |
| Accruals | 4,851 | 7,192 | 4,300 | 6,475 |
| | 37,361 | 39,868 | 33,738 | 40,277 |

All the income in advance at the start of the year was recognised during the year, except life membership and RHS Shows income. The balance at the start of the year for life memberships was £2,068k, £417k was used during 2020/21 and deferred income for new life memberships was £793k, resulting in a balance of £2,444k at 31 January 2021. £422k is due to be recognised in 2021/22, with £2,022k deferred to future years. In a normal year all the RHS Shows income would be recognised within the year, however due to Covid-19 causing the cancellation of the shows, ticket holders were offered the option of deferring their tickets to the following year. Of the £11.8m balance at the start of the year £4.3m was refunded and the remainder was deferred to next year.

21. Creditors amounts falling due after one year

| | Consolidated | | Society | |
|---------------------------------|--------------|-------|---------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Income in advance: | | | | |
| Deferred members' subscriptions | 2,444 | 2,068 | 2,444 | 2,068 |
| Income in advance: other | 150 | 976 | 150 | 976 |
| | 2,594 | 3,044 | 2,594 | 3,044 |

22. Funds

| | Balance 01.02.20 £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains/ (losses) £'000 | Balance 31.01.21 £'000 |
|--|------------------------------|-----------------|----------------------|--------------------|-----------------------------|------------------------------|
| ENDOWMENT FUNDS | | | | | | |
| Coke Trusts | 2,786 | 13 | - | (95) | 131 | 2,835 |
| Blaxall Valentine Scholarship | 756 | 4 | - | (13) | 35 | 782 |
| Guerney Wilson Fund | 391 | 2 | - | (12) | 18 | 399 |
| Other Bursary Funds | 342 | 2 | - | (7) | 16 | 353 |
| Wisley Endowment Fund | 308 | 1 | - | (1) | 14 | 322 |
| Eric Young Scholarship | 320 | 1 | - | (1) | 15 | 335 |
| Knowles Bequest | 396 | 2 | - | (1) | 19 | 416 |
| Hand Bequest | 698 | 53 | - | (2) | 33 | 782 |
| Shropshire Hort Society | 237 | 1 | - | (4) | 11 | 245 |
| Other Endowed Funds | 290 | 1 | - | (1) | 14 | 304 |
| Total Endowed Funds | 6,524 | 80 | - | (137) | 306 | 6,773 |
| RESTRICTED FUNDS | | | | | | |
| Garden Development Funds | 381 | 208 | (52) | (57) | - | 480 |
| Education & Training Funds | 1,656 | (335) | (120) | - | - | 1,201 |
| Bursary Funds | 446 | 5 | (7) | 127 | - | 571 |
| SIP Restricted Funds | 3,774 | 3,870 | (730) | (5,758) | - | 1,156 |
| Other Restricted Funds | 3,662 | 344 | (117) | (3,301) | - | 588 |
| Total Restricted Funds | 9,919 | 4,092 | (1,026) | (8,989) | - | 3,996 |
| UNRESTRICTED FUNDS | | | | | | |
| Designated Funds | | | | | | |
| Fixed Asset Fund | 131,145 | - | - | 19,337 | - | 150,482 |
| Investment Property Fund | 15,720 | - | - | 2,092 | 1,826 | 19,638 |
| Strategic Investment Programme Fund | | | | | | |
| KIP: Existing Gardens | 6,480 | - | - | (5,480) | - | 1,000 |
| KIP: 5th Garden, Bridgewater | 2,000 | - | - | (2,000) | - | - |
| KIP: Community Outreach | 499 | 501 | - | - | - | 1,000 |
| | | | | | | |
| Total Designated Funds | 155,844 | 501 | - | 13,949 | 1,826 | 172,120 |
| General and Trading Funds | 9,702 | 62,766 | (65,727) | (5,740) | 455 | 1,456 |
| Pension Reserve | (5,939) | - | (114) | 917 | (2,519) | (7,655) |
| Total Unrestricted Funds | 159,607 | 63,267 | (65,841) | 9,126 | (238) | 165,921 |
| | | | | | | |
| TOTAL FUNDS | 176,050 | 67,439 | (66,867) | - | (68) | 176,690 |
| Society only, General and Trading Fund | | | | | | |
| | 1,256 | 47,712 | (49,037) | 2,662 | 455 | 1,793 |

Endowment Funds

- **The Coke Trust** provides bursaries for horticultural students and training.
- **The Blaxall Valentine Scholarship** established a scholarship for the collection of plants.
- **The Guerny Wilson Fund** was established to further the horticultural work of the Society.
- **The Wisley Endowment Fund** was established under the terms of the Hanbury Trust. It is vested in the Society only so long as the Society uses Wisley garden as an experimental garden.
- **The Eric Young Scholarship** provides funds for an orchid student to train at Wisley.
- **Knowles Bequest** for study of horticulture in northern England.
- **Hand Bequest** to support the student training scheme at Wisley.
- **The Shropshire Horticultural Society Scholarship** provides funds for a student to train at Wisley.

Restricted Funds

- Garden Development Funds are held for development projects within RHS Gardens.
- **Education and Training Funds** are held for horticultural education and training.
- **Bursary funds** represent the income from the endowed bursary funds less the expenditure.
- **SIP Restricted funds** provide funding for the Strategic Investment Programme.
- **Other Restricted funds** provide funding for awards, medals and other horticultural purposes.

Unrestricted Funds

Designated Funds

- **The Fixed Asset Fund** represents the net book value of the Society’s tangible fixed assets.
- **Strategic Investment Programme (SIP) Funds** represents the funding support which has been specifically designated to date for the ongoing SIP which have been divided into ‘Key Investment Projects’ (KIP). It is envisaged that this investment programme, which began in 2014, will take a minimum of 10 years to complete.
- **KIP: Existing Gardens Fund** represents the funding support that has been specifically designated to capital projects at the existing RHS Gardens. Projects include the renovation of the historic Laboratory at Wisley and includes an interpretative area reflecting the history of the RHS and horticulture. At Harlow Carr, the Harrogate Arms will be restored and reunited with the historical Bath House around which the garden was founded. The Streamside garden will be extended and exhibition space created within the Harrogate Arms alongside the addition of a dedicated events building.

- **KIP: 5th Garden, Bridgewater Fund** represents the investment set aside to develop an additional Society Garden near Salford. This will provide hundreds of thousands more people with the benefits of having an RHS Garden within their vicinity. The garden centre will have a range of horticultural features and significant biodiversity of plants. It will have a calendar of events, including garden shows, with a focus on learning both for adults and children, benefiting local schools and communities, and boosting the local economy by attracting visitors. The first elements of this garden are expected to open in 2021.
- **KIP: Community Outreach Fund** represents the funding support for grassroots community gardening. The Society runs RHS Britain in Bloom, Europe’s biggest community gardening campaign. Around 300,000 people from a variety of ages, cultures and backgrounds are involved in transforming public spaces that benefit an estimated 2 million people. This fund is to help support grassroots community gardening in an even more direct and meaningful way. Our teams give hands-on support, build local partnerships and create volunteering opportunities to support community gardening. The funds will help extend these schemes into more regions around the UK.
- **The Designated Pension Fund** represents the actuarially assessed reserve to fund the deficit on the Royal Horticultural Society (1974) Pension Scheme.

General and Trading Funds

- **The General and Trading Funds** are those unrestricted funds, which are freely available to the Trustees to spend on any of the Charity’s purposes and will be used to support the general requirements of the Society. Within the opening balance of this fund, the Trustees had identified a sum of £8.4m representing the risk-assessed reserve required in the event of a significant disruption to the Society’s activities. With the impact of Covid-19 on the Society’s activities, a significant portion of this reserve has been used in the financial year 2020/21 and will need to be rebuilt over the coming years.

Transfers

Transfers between endowment and restricted funds reflect the adjustments required for the total return accounting policy (see Notes 2 and 23). Transfers between unrestricted and designated funds represent capital expenditure where asset purchases/developments are held and depreciated in designated funds.

23. Endowment Funds

| | Endowment £’000 | Unapplied Total Return £’000 | 2021 Total £’000 |
|--|--------------------|------------------------------------|------------------------|
| At beginning of reporting period: | | | |
| Trust for investment / permanent endowment | 3,306 | - | 3,306 |
| Unapplied total return (Income) | - | 3,218 | 3,218 |
| Total | 3,306 | 3,218 | 6,524 |
| Movements in reporting period: | | | |
| Investment return: dividends and interest | - | 80 | 80 |
| Investment return: realised and unrealised gains and (losses) | - | 306 | 306 |
| Total | - | 386 | 386 |
| Unapplied total return allocated to income in the reporting period | - | (137) | (137) |
| Net movements in reporting period | - | (137) | (137) |
| At end of the reporting period: | | | |
| Trust for Investment / permanent endowment | 3,306 | - | 3,306 |
| Unapplied total return | - | 3,467 | 3,467 |
| Total | 3,306 | 3,467 | 6,773 |

24. Analysis of net assets between funds

| | Endowment Funds £’000 | Restricted Funds £’000 | Designated Funds £’000 | General & Trading Funds £’000 | Pension Reserve £’000 | 2021 Total Funds £’000 |
|--------------------------|-----------------------------|------------------------------|------------------------------|--|-----------------------------|---------------------------------|
| Tangible Fixed Assets | - | - | 150,482 | - | - | 150,482 |
| Investment Properties | - | - | 19,638 | - | - | 19,638 |
| Investments in Funds | 6,773 | 3,996 | 2,000 | 22,990 | - | 35,759 |
| Current Assets | - | - | - | 18,421 | - | 18,421 |
| Current Liabilities | - | - | - | (37,361) | - | (37,361) |
| Long Term Liabilities | - | - | - | (2,594) | - | (2,594) |
| Pension Scheme Liability | - | - | - | - | (7,655) | (7,655) |
| Total Net Assets | 6,773 | 3,996 | 172,120 | 1,456 | (7,655) | 176,690 |

25. Net cash inflow from operating activities

| | 2021 | 2020 |
|---|---------|--------|
| | £'000 | £'000 |
| Increase in group funds | 572 | 8,479 |
| Pension fund movement, excluding actuarial gains/losses | (803) | (779) |
| Investment income receivable | (221) | (585) |
| Depreciation charge | 5,002 | 4,727 |
| Fixed asset disposals | 2 | 5 |
| (Increase)/Decrease in stocks | (92) | (210) |
| (Increase)/Decrease in debtors | 80 | 1,401 |
| Increase/(Decrease) in creditors | (2,958) | 6,825 |
| Net Cash inflow from operating activities | 1,582 | 19,863 |

26. Reconciliation of net cash flow to movement in net cash funds

| | £'000 |
|-----------------------------------|--------|
| Increase in cash in the year | 1,152 |
| Cash inflow from cash investments | 230 |
| Movement in net cash funds | 1,382 |
| Net cash funds at 1 February 2020 | 12,801 |
| Net cash funds at 31 January 2021 | 14,183 |

27. Analysis of changes in net cash funds

| | Balance 01.02.20 | Cash Flows | Balance 31.01.21 |
|---|---------------------|---------------|---------------------|
| | £'000 | £'000 | £'000 |
| Cash at bank and in hand | 7,860 | 1,152 | 9,012 |
| Cash included within investments (Note 9) | 4,941 | 230 | 5,171 |
| | 12,801 | 1,382 | 14,183 |

28. Operating leases

As at 31 January 2021 the Society and its subsidiaries future minimum operating lease payments are as follows:

| | Consolidated | | Society | |
|---|--------------|-------|---------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Land and Buildings: | | | | |
| Not later than one year | 63 | 84 | 63 | 84 |
| Later than one year and not later than five years | - | 145 | - | 145 |
| Other: | | | | |
| Not later than one year | 161 | 157 | 140 | 137 |
| Later than one year and not later than five years | 312 | 448 | 268 | 385 |
| | 536 | 834 | 471 | 751 |

As at 31 January, the future minimum lease income due under non-cancellable rental operating leases was as follows:

| | Consolidated | | Society | |
|---|--------------|-------|---------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Not later than one year | 403 | 342 | 403 | 342 |
| Later than one year and not later than five years | - | - | - | - |
| | 403 | 342 | 403 | 342 |

Total rental income received from operating leases in 2021 was £565k (2020 £455k).

29. Pension scheme

The Royal Horticultural Society (1974) Pension Scheme (the Scheme) was closed to future service accruals on 31 May 2009. A full actuarial valuation of the Scheme was carried out as at 5 April 2017, which has been updated to 31 January 2020 by a qualified independent actuary. To ensure that the Scheme’s Statutory Funding Objective is met (i.e. there are sufficient assets to cover the Scheme’s technical provisions), an agreement was reached in October 2017 between the Trustees of the Scheme and the Society that additional contributions will be paid to the Scheme of £76,417 per month for a period of nine years beginning 5 April 2017. During the year, contributions of £917k were paid by the Society. A triennial valuation will be conducted in 2020/21, the outcome of which will determine whether the Society will need to amend its future contributions to the Scheme in respect of any deficit.

Employee benefit obligations – amounts recognised in the balance sheet:

| | 2021 | 2020 |
|-------------------------------------|----------|----------|
| | £'000 | £'000 |
| Present value of funded obligations | (39,153) | (36,864) |
| Fair value of plan assets | 31,498 | 30,925 |
| Deficit | (7,655) | (5,939) |
| Net Liability | (7,655) | (5,939) |

As required under FRS 102, the Scheme’s assets for this accounting period are based on bid price. The prior year Scheme’s assets were calculated on the same basis.

The pension plan assets do not include ordinary shares issued by the sponsoring employer nor do they include property occupied by the sponsoring employer.

The amounts recognised in the SoFA are as follows:

| | 2021 | 2020 |
|------------------------------|-------|-------|
| | £'000 | £'000 |
| Past service cost | 15 | - |
| Net interest | 99 | 138 |
| Total expense | 114 | 138 |
| Actual return on plan assets | 884 | 1,882 |

Changes in the present value of the defined benefit obligations are as follows:

| | 2021 | 2020 |
|------------------------------------|---------|---------|
| | £'000 | £'000 |
| Opening defined benefit obligation | 36,864 | 35,175 |
| Interest cost | 653 | 866 |
| Actuarial losses/(gains) | 2,849 | 1,894 |
| Benefits paid | (1,228) | (1,071) |
| Past service cost | 15 | - |
| Closing defined benefit obligation | 39,153 | 36,864 |

Active members of the Scheme ceased to accrue benefits in respect of pensionable service from 31 May 2009, although benefits earned prior to this date remain linked to pensionable salary on future withdrawal or retirement.

Changes in the fair value of plan assets are as follows:

| | 2021 | 2020 |
|-----------------------------------|---------|---------|
| | £'000 | £'000 |
| Opening fair value of plan assets | 30,925 | 29,197 |
| Interest income | 554 | 728 |
| Return on assets | 330 | 1,154 |
| Contributions by employer | 917 | 917 |
| Member contributions | - | - |
| Benefits paid | (1,228) | (1,071) |
| Closing fair value of plan assets | 31,498 | 30,925 |

The assets in the Scheme are as follows:

| | 2021 | 2020 |
|-----------------------------|--------|--------|
| | £'000 | £'000 |
| Bonds | 5,382 | 5,638 |
| Diversified Growth Fund | 20,045 | 21,955 |
| Cash | 3,345 | 511 |
| Insurance policies | 2,726 | 2,821 |
| Fair value of Scheme assets | 31,498 | 30,925 |

Movement in deficit during the year:

| | 2021 | 2020 |
|--|---------|---------|
| | £'000 | £'000 |
| Deficit in Scheme at beginning of the year | (5,939) | (5,978) |
| Movement in year: | | |
| Contributions paid by the employer | 917 | 917 |
| Other financial expenditure | (114) | (138) |
| Actuarial (losses)/gains | (2,519) | (740) |
| Deficit in Scheme at end of the year | (7,655) | (5,939) |

In the period to 31 January 2021 employer contributions of £917k (2020: £917k) were paid into the Scheme. The cost of life insurance was paid in addition.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

a) Financial assumptions

| | 2021 | 2020 |
|------------------------------------|---------|---------|
| Discount rate | 1.4% pa | 1.8% pa |
| Inflation assumption | 3.1% pa | 3.0% pa |
| Rate of increase in salaries | 3.1% pa | 3.0% pa |
| Pension escalation in payment | 3.0% pa | 2.9% pa |
| (Retail prices index – maximum 5%) | | |

b) Demographic assumptions

(i) Assumed life expectancy in years, on retirement at age 65

| | Males | | Females | |
|----------------------|----------------|----------------|----------------|----------------|
| | as at 31.01.21 | as at 31.01.20 | as at 31.01.21 | as at 31.01.20 |
| Retiring today | 21.6 | 21.5 | 23.6 | 23.4 |
| Retiring in 20 years | 23 | 22.9 | 25.1 | 25 |

(ii) Pre retirement mortality rates

The following mortality rates represent the probability of a person of an exact age, as shown below, dying within one year.

| Age | Males | Females |
|-----|--------|---------|
| 30 | 0.0003 | 0.0002 |
| 40 | 0.0005 | 0.0003 |
| 50 | 0.0011 | 0.0009 |
| 60 | 0.0033 | 0.0024 |

Amounts for the current and previous four periods are as follows:

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|----------------------------|---------|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Defined benefit obligation | 39,153 | 36,864 | 35,175 | 36,490 | 36,533 |
| Plan assets | 31,498 | 30,925 | 29,197 | 30,023 | 28,503 |
| (Deficit) | (7,655) | (5,939) | (5,978) | (6,467) | (8,030) |

30. Related Party Transactions

The Society maintains a Register of Interests of all Council members and senior staff. Also, the Society’s regulations require an individual to declare an interest and withdraw from any commercial discussions should a conflict of interest potentially arise.

Council members are not remunerated for their roles. They received complimentary show tickets for personal use for the RHS Chelsea Flower Show (President, Treasurer and Council 1), the RHS Chatsworth Flower Show (President and Treasurer 8, Council 4), the RHS Hampton Court Palace Garden Festival (President and Treasurer 8, Council 4), and the RHS Flower Show Tatton Park (President and Treasurer 8, Council 4).

The Society requires members of Council, non-Council members of the Commercial Board, and key management personnel to declare any material interests that they, or a related party, may have in the activities of the Society and its trading companies. The President and Treasurer approve individual contracts between Trustees, and the Society and its trading companies, and these are reported to the Audit and Risk Committee. The total cost of these transactions to the RHS in the year is £33k. The RHS also received income of £16k from related parties.

Details of significant transactions with Trustees in the period are as follows:

Mick Crawley – Botanical Society of Britain and Ireland (of which Mick Crawley is Chair of the Science Committee) was paid £200 for inserts in BSBI newsletter. As at 31 January 2021 the balance owed to Mick Crawley was nil.

Sarah Raven – has paid RHS Enterprises £16k for adverts in The Garden magazine. As at 31 January 2021 the balance owed to Sarah Raven was nil.

Jon Wheatley – Britain in Bloom, South West (of which Jon Wheatley is the Chairman), was paid £3k for the IYN Payment for South West in Bloom and £7k payment from the RHS Bloom Hardship Fund 2020. As at 31 January 2021 the balance owed to Britain in Bloom, South West was nil.

Neil Lucas – Knoll Gardens Ltd (of which Neil Lucas is a Director) was paid £3k for the supply of plants to RHS Garden sites. As at 31 January 2021 the balance owed to Knoll Gardens Ltd was nil.

Mark Porter – the National Garden Scheme (of which Mark Porter is a Trustee) was paid £720 for a full page ad in the Derbyshire NGS booklet. They were refunded £9k for their

payments made for their exhibitor stand invoices for RHS Cardiff, Chelsea and Chatsworth Flower Show 2020 following their cancellation. As at 31 January 2021 the balance owed to National Garden Scheme was nil.

Nicolas Dunn – Frank P Matthews Ltd (of which Nicholas Dunn is a director) was paid £6k by RHS for various plants and trees to RHS Garden sites. A further £22k was paid by RHS Enterprises for supply of various plants and trees. As at 31 January 2021 the balance owed to Frank P Matthews Ltd was £1,179.

Donations from Trustees and individuals who are classed as related parties to Trustees, in their individual capacity as either Donors or Fellows, amount to £113k in the year (2019/20 – £14k).

In 2020/21, the Society charged RHS Enterprises Ltd £9,096k (2020/21: £11,040k) for the provision of staff, the purchase of goods, and the rental of retail and event space. RHS Enterprises Ltd paid the Society £8,207k (2020/21: £11,949k) and gift aided £4,014k to the Society during the year. As at 31 January 2021 RHS Enterprises Ltd owed the Society £1,281k (2020: £1,322k). In 2020/21, the Society paid RHS Enterprises Ltd £18k for intercompany loan interest (2019/20: £110k). As at 31 January 2021 the Society repaid RHS Enterprises Ltd £4,000k for an unsecured loan.

In 2020/21, the Society charged RHS Special Events Ltd £515k (2019/20: £419k) for the provision of staff and the purchase of goods. RHS Special Events Ltd paid the Society £515k (2019/20: £408k) and gift aided £0k to the Society during the year. In 2020/21, the Society paid RHS Special Events Ltd £73k for intercompany loan interest (2019/20: £96k). As at 31 January 2020 the Society owed RHS Special Events Ltd £3,500k for an unsecured loan that is repayable on demand. As at 31 January 2021 the Society owed RHS Special Events Ltd £3,472k (19/20: £3,302k).

All payments are shown net of VAT.

The Royal Horticultural (1974) Pension Scheme is a related party to the RHS, being the former Defined Benefit Pension Scheme, which is closed to future accrual (see Note 29).

There are no further related party transactions requiring disclosure.

31. Comparative results by type of fund 2019/20 – Group

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2020 Total £'000 |
|------------------------------------|--------------------------------|------------------------------|-----------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | |
| Donations & Legacies | 8,833 | 3,989 | - | 12,822 |
| Grants | 1095 | 2,899 | - | 3,994 |
| CHARITABLE ACTIVITIES: | | | | |
| Members and Communication | 24,119 | - | - | 24,119 |
| Shows | 22,817 | - | - | 22,817 |
| RHS Gardens | 8,530 | 1 | - | 8,531 |
| Communities and Education | 654 | 1 | - | 655 |
| Horticulture | 141 | - | - | 141 |
| Science and Collections | 167 | - | - | 167 |
| OTHER TRADING ACTIVITIES: | | | | |
| Trading Income | 24,718 | - | - | 24,718 |
| Sponsorship Income | 3,174 | - | - | 3,174 |
| INVESTMENTS | 430 | - | 156 | 586 |
| OTHER | 412 | - | - | 412 |
| Total | 95,090 | 6,890 | 156 | 102,136 |

| | | | | |
|------------------------------|---------------|------------|----------|---------------|
| EXPENDITURE ON: | | | | |
| RAISING FUNDS | | | | |
| Donations & Legacies | 1,601 | - | - | 1,601 |
| Trading Costs | 19,188 | - | - | 19,188 |
| Sponsorship | 519 | - | - | 519 |
| CHARITABLE ACTIVITIES | | | | |
| Members and Communication | 10,510 | - | - | 10,510 |
| Shows | 22,068 | - | - | 22,068 |
| RHS Gardens | 28,442 | 212 | - | 28,654 |
| Communities and Education | 4,100 | 18 | - | 4,118 |
| Horticulture | 1,338 | 154 | - | 1,492 |
| Science and Collections | 5,353 | 29 | - | 5,382 |
| OTHER | 125 | - | - | 125 |
| Total | 93,244 | 413 | - | 93,657 |

| | | | | |
|---|--------------|--------------|------------|--------------|
| NET INCOME BEFORE GAINS ON INVESTMENTS | 1,846 | 6,477 | 156 | 8,479 |
|---|--------------|--------------|------------|--------------|

| | | | | |
|----------------------------|--------------|--------------|------------|---------------|
| Gains on investment assets | 1,889 | - | 772 | 2,661 |
| NET INCOME | 3,735 | 6,477 | 928 | 11,140 |

| | | | | |
|-------------------------|-------|---------|-------|---|
| Transfers between funds | 9,324 | (9,162) | (162) | - |
|-------------------------|-------|---------|-------|---|

| | | | | |
|---|---------------|----------------|------------|---------------|
| Other recognised gains/(losses): | | | | |
| Actuarial gains on defined benefit pension scheme | (740) | - | - | (740) |
| NET MOVEMENT IN FUNDS | 12,319 | (2,685) | 766 | 10,400 |

| | | | | |
|------------------------------------|----------------|----------------|--------------|----------------|
| RECONCILIATION OF FUNDS: | | | | |
| Total funds brought forward | 147,288 | 12,604 | 5,758 | 165,650 |
| Net movement in funds | 12,319 | (2,685) | 766 | 10,400 |
| Total funds carried forward | 159,607 | 9,919 | 6,524 | 176,050 |

32. Endowment Funds – 2019/20

| | Endowment £'000 | Unapplied Total Return £'000 | 2020 Total £'000 |
|--|--------------------|------------------------------------|------------------------|
| At beginning of reporting period: | | | |
| Trust for investment / permanent endowment | 3,306 | - | 3,306 |
| Fixed Asset Endowments | | - | - |
| Unapplied total return (Income) | - | 2,452 | 2,452 |
| Total | 3,306 | 2,452 | 5,758 |
| Movements in reporting period: | | | |
| Investment return: dividends and interest | - | 156 | 156 |
| Investment return: realised and unrealised gains | - | 772 | 772 |
| Total | - | 928 | 928 |
| Unapplied total return allocated to income in the reporting period | - | (162) | (162) |
| Net movements in reporting period | - | 766 | 766 |
| At end of the reporting period: | | | |
| Trust for Investment / permanent endowment | 3,306 | - | 3,306 |
| Unapplied total return | - | 3,218 | 3,218 |
| Total | 3,306 | 3,218 | 6,524 |

33. Analysis of net assets between funds – 2019/20

| | Endowment Funds £'000 | Restricted Funds £'000 | Designated Funds £'000 | General & Trading Funds £'000 | Pension Reserve £'000 | 2020 Total Funds £'000 |
|-------------------------|-----------------------------|------------------------------|------------------------------|--|-----------------------------|---------------------------------|
| Tangible Fixed Assets | - | - | 131,145 | - | - | 131,145 |
| Investment Properties | - | - | 15,720 | - | - | 15,720 |
| Investments in Funds | 6,524 | 9,919 | 17,379 | 26,958 | - | 60,780 |
| Current Assets | - | - | - | 17,256 | - | 17,256 |
| Current Liabilities | - | - | - | (39,868) | - | (39,868) |
| Long Term Liabilities | - | - | - | (3,044) | - | (3,044) |
| Pension Scheme | - | - | - | - | - | - |
| Liability | - | - | - | - | (5,939) | (5,939) |
| Total Net Assets | 6,524 | 9,919 | 164,244 | 1,302 | (5,939) | 176,050 |

Governance boards and committees reporting to Council

Audit and Risk Committee

Mr Mark Porter (Chair)
 Sir Nicholas Bacon (to 31 July 2020)
 Mr Keith Weed (from 31 July 2020)
 Mr Matthew Lindsey-Clark
 Ms Tazim Essani
 Ms Kate Lampard
 Ms Janet Walker
 Mr John Ward
 Mrs Ruth Willmott
 Ms Debbie Young

Commercial Board

Mr Matthew Lindsey-Clark (Chair)
 Sir Nicholas Bacon (to 31 July 2020)
 Mr Keith Weed (from 31 July 2020)
 Mr David Domoney
 Ms Nicky Dulieu
 Mr Dennis Espley
 Mrs Avril Martindale
 Ms Lorna Parker
 Mr Mark Porter
 Mr Ed Webb
 Mrs Ruth Willmott

Council Key Investment Projects Working Group

Sir Nicholas Bacon (Chair to 31 July 2020)
 Mr Keith Weed (Chair from 31 July 2020)
 Mr Matthew Lindsey-Clark
 Mr Mark Fane
 Mr Alastair Muirhead
 Ms Lorna Parker
 Mr Mark Porter

Council Technology Group

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 Sir Nicholas Bacon (to 31 July 2020)
 Mr Keith Weed (from 31 July 2020)
 Mr Matthew Lindsey-Clark
 Mr James Alexander-Sinclair (from 1 January 2021)
 Ms Rosie Allimonos

Mr Andrew Hucklesby
 Mr Sandeep Kumar
 Ms Pamela Maynard (from 24 November 2020)
 Mrs Ruth Willmott

Covid-19 Working Group (from 18 March 2020)

Sir Nicolas Bacon (to 31 July 2020)
 Mr Keith Weed (from 31 July 2020)
 Mr Matthew Lindsey-Clark
 Ms Sue Biggs

Horticulture Board

Sir Nicholas Bacon (Chair to 31 July 2020)
 Mr Keith Weed (Chair from 31 July 2020)
 Mr Matthew Lindsey-Clark
 Mr James Alexander-Sinclair
 Ms Rosie Atkins
 Mr Graham Badman
 Ms Theresa Clements
 Mr Nick Dunn
 Ms Sarah Eberle
 Mr Dennis Espley
 Mr Martin Fish
 Mr Tony Girard
 Mr David Haselgrove
 Dr Clare Hermans
 Mr Robin Pearce
 Dr David Rae
 Lady Xa Tollemache
 Mr Jon Wheatley

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 Mr Keith Weed (from 31 July 2020)
 Ms Liz Airey
 Mr Dennis Espley
 Mr Alastair Muirhead
 Ms Lorna Parker
 Mr Anthony Townsend

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Ms Lorna Parker (Chair)
Sir Nicholas Bacon (to 31 July 2020)
Mr Keith Weed (from 31 July 2020)
Mr Matthew Lindsey-Clark
Mr Nick Dunn (from 22 September 2020)
Ms Sarah Eberle
Mr Tim Edwards
Mr Dennis Espley (to 31 July 2020)
Mr Mark Fane
Ms Charlotte Harris (from 1 January 2021)
Ms Jo Thompson
Mrs Ruth Willmott

People and Remuneration Committee

Mr Matthew Lindsey-Clark (Chair)
Sir Nicholas Bacon (to 31 July 2020)
Mr Keith Weed (from 31 July 2020)
Mr Dennis Espley
Ms Kate Lampard
Ms Lorna Parker

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London EC4M 7JW

Solicitors

Stone King LLP
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Bankers

National Westminster Bank plc
169 Victoria Street
London SW1E 5NA

Investment Fund Managers

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Troy Asset Management
Brookfield House
44 Davies Street
London W1K 5JA

Royal London Asset Management
55 Gracechurch Street
London EC3V 0RL

Veritas Asset Management LLP
90 Long Acre
Covent Garden
London WC2E 9RA

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The RHS relies on the generous gifts, donations and bequests given by members and supporters. Our sincere thanks go to all who are listed in the following pages 72-74. We couldn't have achieved everything we have in this most difficult year without you. Thank you.

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We would like to thank all donors that have supported the RHS, including those that wish to remain anonymous.

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At RHS Garden Rosemoor, Devon, The Cool Garden opened in 2019 is now a visitor favourite



Thank you to all RHS members and our supporters – your valuable contribution is vital to our charitable mission.

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