

Company Registration No. 00867120 (England & Wales)
Charity Registration No. 246589

Borde Hill Garden Limited
(a company limited by guarantee)

Annual report and
unaudited financial statements
for the year ended 31 December 2021

Borde Hill Garden Limited
(a company limited by guarantee)

Company information

Directors	Philip Robert Eastell (Appointed 19 February 2022) Andrewjohn Patrick Stephenson Clarke Dr Timothy Martin Upson Graham Duncan Hollis Eleni Charalambos Stephenson Clarke
Secretary	James Murray Gouvenot Gardiner
Company number	00867120
Charity number	246589
Registered office	71 Queen Victoria Street London EC4V 4BE
Independent examiner	Timothy Adams Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	HSBC Bank plc 9 The Boulevard Crawley West Sussex RH10 1UT
Solicitors	Brachers LLP Somerfield house 59 London Road Maidstone Kent ME16 8JH
Investment manager	Quilter Cheviot One Kingsway London WC2B 6AN

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Borde Hill Garden Limited
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Annual report
For the year ended 31 December 2021

The Trustees, who are also the directors of the company for the purposes of the Companies Act, submit their annual report and financial statements for the year ended 31 December 2021. The Trustees have complied with the Companies Act 2006 and the updated Statement of Recommended Practice – Accounting and Reporting by Charities (SORP), which incorporates the requirements of the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Reference and administrative details

The charity name, charity number, company number, principal addresses and details of professional advisors are included in the company information sheet at the front of these accounts and form part of this report.

Directors and Charity Trustees

The following directors who are also trustees have held office since 1 January 2021:

James Murray Gouvenot Gardiner	(Retired 31 December 2021)
Andrew John Patrick Stephenson Clarke	
Dr Timothy Martin Upson	
Graham Duncan Hollis	
Eleni Charalambos Stephenson Clarke	
Philip Robert Eastell	(Appointed 19 February 2022)

Structure, governance and management

Constitution

The company is registered as a charitable company limited by guarantee and is governed by a Memorandum & Articles of Association adopted by special resolution 18 March 2013. The liability of each Member is limited to a sum not exceeding one pound.

Membership is limited to the directors of the company. The directors may recognise one or more classes of supporters who are not members (but who may nevertheless be termed 'members') upon the terms as the directors shall set out.

In the event that the number of Trustees has fallen, or is likely to fall, below 3 people then the Trustees seek the advice of the existing Trustees and the Council Members for suitable nominations. As the Council Members are from nationally important and relevant horticultural and botanical institutions, that may also be open to the public, this is likely to lead to the identification of well qualified and suitable candidates. The Articles of Association then give one vote to each member and the decision to appoint a new trustee must be unanimous.

Induction and training of new Trustees

Potential new Trustees are invited to a meeting with the existing Trustees before their election, and are given an introduction to the operation and activities of the company.

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For the year ended 31 December 2021

Organisational structure and decision making

The Company has a Council of Management which consists of two of the directors of the Company (Ordinary Council Members), a maximum of six Organisational Nominees, a maximum of three Stephenson Clarke Representatives, a maximum of three Ex-Officio Members and a maximum of three Co-Opted Individuals. The chairman of the Borde Hill Garden Council (Council Chairman) shall be appointed by the Trustees. The Council Members shall be appointed on a yearly basis or such other term as the directors may decide.

Directors (Ordinary Council Members)

Andrewjohn Patrick Stephenson Clarke

James Murray Gouvenot Gardiner

(Retired 31 December 2021)

Phillip Robert Eastell

(Appointed 19 February 2022)

Organisational Nominees

Royal Botanic Gardens Edinburgh – (David Knott)

The Royal Horticultural Society – (Dr Tim Upson – Council Chairman)

Cambridge University Botanic Garden – (Sally Petitt)

Royal Botanic Garden Kew – Wakehurst Place – (Ed Ikin)

Stephenson Clarke Representatives

Eleni Charalambos Stephenson Clarke

Ex-Officio Members

David Hardman (formerly the nominee of Royal Botanic Gardens Kew – Wakehurst Place nominee)

Fiona Crumley (formerly at The Chelsea Physic Garden) (Died 20 January 2021)

James Murray Gouvenot Gardiner (Appointed 1 January 2022)

Vacancies for organisational nominees

Plumpton College

The Chelsea Physic Garden

Co-opted individuals

Lionel de Rothschild

Stephen Lacey

David Millais

Peter Mills

Further vacancies exist for two Stephenson Clarke representatives and one ex-officio member.

The day to day affairs of the company are managed by Andrewjohn Stephenson Clarke, director of the company, assisted in the day to day operations of the company by the Executive Manager, Karen Manton-Cook and initially by Head Gardener, Andy Stevens, whose role was superseded by the Head of Horticulture, Harry Baldwin from October.

Aims and objectives

The company's principal aims, objectives, policies and activities are:

To promote the furtherance of the study and science of botany and the increase of knowledge in respect thereof and the improvements of the methods and practice of horticulture.

To hold a leasehold or freehold interest in, to manage, to improve all or part of, and to promote public access to the gardens at Borde Hill, Haywards Heath, West Sussex or other gardens in other parts of the British Isles for the purposes of experimentation and research by the growth and propagation of trees and plants of any kind and in any manner. (The company currently holds leases for the garden and ancillary property at Borde Hill expiring on 31 October 2121).

To promote ongoing record keeping and documentation, together with the maintenance of existing archive material regarding the botanical collection at Borde Hill.

To make, from time to time, byelaws as to the days and the times and the conditions on which the public shall be admitted to the land leased or owned by the company.

To provide, in printed form or online, guidebooks or other information or pamphlets to promote its activities and the botanical collection within Borde Hill Garden and for wider educational purposes.

To increase visitor information by updating the information boards and information generally available to the public either visiting the garden or through press releases for horticultural, event or educational purposes.

To help improve the botanical collection by replanting borders and improving garden rooms through weeding, pruning and opening up new areas available for planting.

Strategies and activities for achieving objective and for the public benefit

The Trustees implemented the following activities to help achieve these objectives:

- i. Opening the garden at Borde Hill to the public
- ii. Investing in improved quality of the garden, visitor facilities and signage and information boards
- iii. Maximising grant aid and gift aid donations
- iv. Promoting and advertising the garden via PR and a variety of marketing channels
- v. Improving plant record keeping using data bases and preserving historic records
- vi. Arranging Garden tours and plant orientated events, including talks and school visits

Factors relevant to achieve objectives

The key performance indicators which the Trustees monitor to ensure that the company is achieving these objectives are:

- i. Financial performance against income and expenditure targets
- ii. Quality of the product offerings and service levels to satisfy customer and market expectations
- iii. Visitor numbers for garden admissions and for special events

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's revised general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Achievements and performance

The company continues to make available free, or discounted, visits to horticultural clubs, organisations and local charities.

2021 was slow for coach parties and group visits, mainly due to Covid considerations, but conversely the day visitors and season tickets saw record visitor numbers that also contributed to better retail sales. We continued the timed ticketing system whereby visitors must pre-book online and the number of tickets per 30 minute slot are set at a limited number as that evened out the visitor flow and encouraged later visits during the day. This arrangement has been welcomed by both the public and staff as it assists in social distancing and reduces the opportunity for queues and crowds outside as the visitor numbers are more evenly spread during the day.

House openings were not offered during the year whereas the marquee in the Azalea Ring was used for the few groups who visited during the year and had catering provided or Garden tours.

The success of the charity in meeting its beneficiaries' needs can be illustrated by the continued growth on social media channels and the positive reviews from visitors.

During the year the Charity received a positive response from the National Lottery Heritage Fund for a possible project in the South Park. This will be progressed by an application for grant assistance in 2022.

The charity now employs a part time archivist, Julia Foster, who has made great progress in cataloguing the archival material, scanning some into the Brahms database, and restoring the papers, letters and photographs and placing them in archival quality folders and containers. We believe that the size of the archive is in the region of 75,000 items that cover over 50 years of daily activity at Borde Hill and correspondence with worldwide nurseries, plant collectors and other botanical organisations and private gardens thus making this a nationally important resource.

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For the year ended 31 December 2021

The summary below shows the company's visitor numbers and turnover over the last 4 years:

People	2021	2020	2019	2018
Day visits	81,712	46,699	46,356	40,095
Groups	737	218	3,865	3,405
Events (note)	-	23	109	517
	<u>83,231</u>	<u>46,940</u>	<u>50,330</u>	<u>44,017</u>
% increase/(decrease)				
Day visits	78%	1%	16%	15%
Groups	238%	(94%)	14%	73%
Events	(100%)	(79%)	(79%)	41%
Total	<u>77%</u>	<u>(7%)</u>	<u>14%</u>	<u>16%</u>
Turnover	2021	2020	2019	2018
	£	£	£	£
Day visits	393,043	233,289	232,179	183,038
Groups	10,588	2,415	27,333	23,871
Events	-	-	1,922	1,540
Total	<u>403,631</u>	<u>235,704</u>	<u>261,434</u>	<u>208,449</u>
% increase/(decrease)				
Day visits	68%	-	27%	8%
Groups	338%	(91%)	15%	92%
Events	(100%)	(73%)	25%	(94%)
Total	<u>71%</u>	<u>(10%)</u>	<u>25%</u>	<u>16%</u>

Note

Events visitor numbers for the year ended 31 December 2020 onwards includes Garden talks. Plant Fair admissions are reported in Day Visits rather than Events from 2019 onwards.

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Annual report (continued)
For the year ended 31 December 2021

Financial review

The statement of financial activities on page 10 shows the results for the year under review. The company's financial performance over the last 4 years has been as follows:-

	Year ended 31 December 2021 £	Year ended 31 December 2020 £	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Net income/(expenditure) on charitable activities	(183,706)	(54,100)	(64,630)	(92,286)
Donations and legacies	413	825	2,200	1,694
Income from investments and other income	37,109	24,311	29,290	31,730
Covid-19 government support grants	1,723	25,196	-	-
Cultural Recovery Fund grant	-	114,396	-	-
Other income and expenditure	<u>(203,513)</u>	<u>(18,183)</u>	<u>(9,834)</u>	<u>(6,720)</u>
Net income/(expenditure)	(345,257)	101,118	(42,974)	(65,582)
Net gain/(loss) on investments	<u>3,407</u>	<u>(19,850)</u>	<u>(33,500)</u>	<u>29,094</u>
Net movement in funds	<u>(344,567)</u>	<u>81,268</u>	<u>(76,474)</u>	<u>(36,488)</u>

Of the total loss incurred in the year of £344,567, £40,246 (2020: £58,324) related to the net loss before Covid grants on the company's charitable trading activities and £302,598 (2020: £nil) related to a provision made to reflect the permanent impairment in the value of the company's tangible fixed assets (see note 8 on page 22).

At the year end the company has net current assets of £161,850 compared to £220,188 last year. The charity held £38,322 (2020: £34,915) of liquid investments that can be sold to meet any liabilities as they fall due. Overall, the funds of the charity comprise the unrestricted fund which has a carrying value of £155,784 compared to £418,339 last year and the restricted fund which has a carrying value of nil (2020: £82,012).

Borde Hill Events Limited continues to operate trading and other non-charity related activities in exchange for payment of rent to the Charity of £2,500 per annum plus 10% of all income generated from events held on the charity's leasehold land. In addition, Borde Hill Events Ltd jointly employs the trading and events staff with the salary costs split between Borde Hill Events Limited and the charity in accordance in the amounts of time each employee spends on each activity. Borde Hill Events Ltd is responsible for all the costs associated with such trading events and activities including running the garden shop. Borde Hill Events Limited is a company majority owned by Mrs Jay Goddard. Mr Andrewjohn Stephenson Clarke is also a shareholder as well a director of Borde Hill Events Ltd. A full account of the value of the transactions between the company and Borde Hill Events Ltd is set out in note 17 of the accounts on page 27.

Principal funding

The company's principal source of funding is from the income it generates from its charitable activities, donations and the investment income derived from monies received from the legacy from Mrs Maria Clarke which is now invested through Cheviot Asset Management and rental income from let property.

Reserves policy

The unrestricted fund represents property and paintings donated to the company less subsequent sales less the accumulated deficits arising from operating results to date.

The Trustees have free reserves amounting to £73,000 (2020 – £121,000).

Risk management

As part of each Annual General Meeting the Trustees assess the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate their exposure to the major risks. Included in this assessment is a 5 year plan for the garden operations and a 3 year capital budget.

The company's principal risk is not generating sufficient income to meet the cost of its charitable activities. This is specifically considered when setting budgets and identifying contingency practices to relieve pressure on cashflow should the year's performance fall behind budget.

Future developments

The Trustees are in negotiation with the Lessor to change the leasehold arrangements so as to remove the liabilities that have caused most years to be run at a deficit. These negotiations are expected to be concluded during 2022 and are noted in more detail in note 18 of the accounts.

During the year, the directors continue operating whereby the company's activities will be focused on its charitable activities and all commercial activities beyond that will be undertaken by Borde Hill Events Ltd who pay a fee to the charity based upon the income generated. In this way, the company will benefit from the income and profits of those events but reduce the risk of losses going forward.

Responsibility of the Trustees

The trustees (who are also directors of Borde Hill Garden Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

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

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Trustees

Andrewjohn Patrick Stephenson Clarke
Director

20 September 2022

Independent examiner's report to the trustees
For the year ended 31 December 2021

I report on the accounts of the company for the year ended 31 December 2021 which are set out on pages 10 to 27.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedure laid down in the General Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the reports is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Timothy Adams BSc ACA

20 September 2022

For and on behalf of Saffery Champness LLP
Chartered Accountants

71 Queen Victoria Street
London
EC4V 4BE

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Statement of financial activities
For the year ended 31 December 2021

	Notes	2021 Restricted £	2021 Unrestricted £	2021 Total £	2020 Unrestricted £
Income					
Donations and legacies	2	-	413	413	825
Charitable activities	3	-	403,631	403,631	235,704
Other income	5	-	37,109	37,109	32,984
Covid-19 Government support grants		-	1,723	1,723	25,196
Cultural Recovery Fund grant		-	-	-	114,396
Total		-	442,876	442,876	409,105
Expenditure on					
Raising funds	4	509	203,004	203,513	18,183
Charitable activities	3	67,200	520,137	587,337	289,804
Total		67,709	723,141	790,850	307,987
Net gain on investments	9	-	3,407	3,407	(19,850)
Transfer between funds	14	(14,303)	14,303	-	-
Net (expenditure)/income and net movement in funds for the year		(82,012)	(262,555)	(344,567)	81,268
Total funds brought forward		82,012	418,339	500,351	419,083
Total funds carried forward	14	-	155,784	155,784	500,351

The statement of financial activities has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 27 form part of these financial statements

Borde Hill Garden Limited
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Statement of financial position
As at 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	8		82,632		378,934
Investments	9		38,322		34,915
			<u>120,954</u>		<u>413,849</u>
Current assets					
Debtors	10	171,971		201,732	
Cash at bank and in hand		59,022		79,599	
		<u>230,993</u>		<u>281,331</u>	
Creditors: amounts falling due within one year	11	(69,143)		(61,143)	
Net current assets/(liabilities)			<u>161,850</u>		<u>220,188</u>
Total assets less current liabilities			<u>282,804</u>		<u>634,037</u>
Creditors: amounts falling due after more than one year	12		(127,020)		(133,686)
			<u>155,784</u>		<u>500,351</u>
Funds					
Restricted funds	14		-		82,012
Unrestricted funds	14		155,784		418,339
			<u>155,784</u>		<u>500,351</u>

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Statement of financial position (continued)
As at 31 December 2021

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities

- the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard 102.

The notes on pages 13 to 27 form part of these financial statements.

Approved by the Board for issue on 20 September 2022.

Andrewjohn Patrick Stephenson Clarke
Director

Company Registration No. 00867120

1. Accounting policies

1.1 Charity information

Borde Hill Garden Limited is a charity domiciled and incorporated in England and Wales. The registered office is 71 Queen Victoria Street, London, EC4V 4BE.

1.2 Accounting convention

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2017) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Borde Hill Garden Ltd meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The principle accounting policies adopted are set out below.

1.3 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that, including the impact of Coronavirus COVID-19, the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting policies

(continued)

1.4 Income

Income is recognised when the charity has entitlements to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies are included in full in the statement of financial activities when receivable. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from grants is recognised when there is evidence of entitlement, receipt is probable and its amount can be measured reliably. Evidence of entitlement usually exists when the formal offer of funding is communicated in writing to the charity unless there are terms and conditions which must be met before the charity has entitlement.

Income from investments is included when receivable.

Income from charitable activities is accounted for when earned.

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

Notes to the financial statements (continued)
For the year ended 31 December 2021

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. This includes all charitable expenditure and costs of raising funds.

Expenditure for raising funds comprises those costs of trading for fundraising purposes, including events held during the year and shop expenditure.

Expenditure on charitable activities comprises those costs incurred by the company in the delivery of its objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Support costs are those functions that assist the work of the company but do not directly undertake charitable activities.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on the basis of the proportion of direct expenditure.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	20% reducing balance and 25 years straight line
Plant and machinery	20% reducing balance and 7 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities

1.7 Leasing

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.8 Investments

Fixed asset investments are stated at market value. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year. Realised and unrealised gains and losses on investments are dealt with through the statement of financial activities. Income from investments is included together with the related tax credit in the year in which it is receivable.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

Financial instruments recognised in the charity's statement of financial position when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except the short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1. Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicator of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from related parties that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'Creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'Creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the charity's obligations are discharged, cancelled or they expire.

1. Accounting policies (continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Fund accounting

Unrestricted funds are incoming resources receivable for the object of the charity without further specified use and are available as general funds to spend on activities that further any of the purposes of the charity.

Designated funds comprise unrestricted funds which have been set aside at the discretion of the trustees for specific purposes. There are currently no such funds.

Restricted funds comprise income subject to specific conditions by donors as to how they may be used. Expenditure which meets these criteria is charged to the relevant fund. The aim and use of each restricted fund is set out in the notes to the financial statements. There are currently no such funds.

1.14 Taxation

The company is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

1.15 Company status

The charity is a company limited by guarantee. The members of the company are the directors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Borde Hill Garden Limited
(a company limited by guarantee)

Notes to the financial statements (continued)
For the year ended 31 December 2021

2. Income from donations and legacies

	2021	2020
	£	£
Donations	413	825
	<u>413</u>	<u>825</u>

3. Charitable activities

	2021	2020
	£	£
Income from charitable activities		
Admissions and tours	403,631	235,704
	<u>403,631</u>	<u>235,704</u>

Charitable expenditure:

Garden purchases	6,184	6,110
Garden event purchases	21,744	10,112
Repairs and maintenance	27,027	17,609
Rent and rates	5,454	4,127
Water	2	74
Depreciation	12,992	12,643
Impairment loss	153,831	-
Lease payments	2,257	2,357
Wages and salaries	<u>139,362</u>	<u>98,343</u>
Direct costs	368,853	151,375
Support costs of charitable activities (note 7)	<u>218,484</u>	<u>138,429</u>
	<u>587,337</u>	<u>289,804</u>
Net expenditure on charitable activities	<u>(183,706)</u>	<u>(54,100)</u>

Borde Hill Garden Limited
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Notes to the financial statements (continued)
For the year ended 31 December 2021

4. Expenditure on raising funds

	2021	2020
	£	£
Rental property costs	34,294	1,021
Depreciation	6,157	6,157
Impairment loss	83,649	-
Investment management costs	90	-
Support costs of generating funds (note 7)	79,323	11,005
	<u>203,513</u>	<u>18,183</u>
Net expenditure from activities for raising funds	<u>(203,513)</u>	<u>(18,183)</u>

5. Other income

	2021	2020
	£	£
Income from quoted investments	1,036	2,124
Interest received	-	289
Rental income	35,273	30,488
Other income	800	83
	<u>37,109</u>	<u>32,984</u>

6. Net expenditure for the year

	2021	2020
	£	£
Net expenditure for the year is stated after charging:		
Depreciation of tangible assets	51,385	53,588
Impairment loss	302,598	-
Amounts paid to the independent examiner for:		
- independent examination	485	450
- other services	6,900	4,450
	<u>361,268</u>	<u>58,488</u>

Borde Hill Garden Limited
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Notes to the financial statements (continued)
For the year ended 31 December 2021

7. Support costs

	Basis of Allocation	Raising funds £ (note 4)	Charitable activities £ (note 3)	Total 2021 £	Total 2020 £
Management staff costs	% of income	2,449	71,501	73,950	53,553
Advertising	Usage	-	13,161	13,161	13,842
Insurance	Usage	-	3,803	3,803	(897)
Light and heat	Usage	-	4,106	4,106	1,989
IT, telephone, postage and stationery	Usage	-	5,901	5,901	6,163
Subscriptions	Usage	-	450	450	405
Legal and professional fees	Usage	55,731	11,146	66,877	7,933
Accountancy	Usage	-	6,900	6,900	4,450
Independent examination fees	Usage	-	485	485	450
Bank charges and interest	% of income	22	635	657	595
Credit card charges	% of income	408	11,904	12,312	6,658
Loan interest	Usage	1,174	1,174	2,348	2,900
Cleaning	Usage	-	1,248	1,248	1,360
Sundry expenses	Usage	-	5,691	5,691	8,245
Marquee hire	% of income	155	2,845	3,000	7,000
Depreciation	% split	6,447	25,789	32,236	34,788
Impairment loss	% split	13,024	52,094	65,118	-
(Profit)/loss on disposal	% split	(87)	(349)	(436)	-
		<u>79,323</u>	<u>218,484</u>	<u>297,807</u>	<u>149,434</u>

The £297,807 (2020 - £149,434) of support cost is represented by £79,323 (2020 - £11,005) of expenditure on raising funds (shown in note 4) and £218,484 (2020 - £138,429) on charitable activities (shown in note 3).

Borde Hill Garden Limited
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Notes to the financial statements (continued)
For the year ended 31 December 2021

8. Tangible fixed assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 2021	375,448	279,351	654,799
Additions	41,909	15,772	57,681
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2021	417,357	295,123	712,480
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2021	149,136	126,729	275,865
Charge for the year	19,149	32,236	51,385
Impairment loss	237,480	65,118	302,598
On disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2021	405,765	224,083	629,848
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2021	11,592	71,040	82,632
	<hr/>	<hr/>	<hr/>
At 31 December 2020	226,312	152,622	378,934
	<hr/>	<hr/>	<hr/>

An impairment loss amounting of £302,598 has arisen where the carrying value exceeds the recoverable amount as agreed with the transfer of trade and assets to Borde Hill Events Ltd as detailed in note 18.

Notes to the financial statements (continued)
For the year ended 31 December 2021

9. Investments

	Total £
Market value	
At 1 January 2021	34,915
Additions	-
Disposals	-
Realised loss	-
Unrealised gain	3,407
At 31 December 2021	<u>38,322</u>

The investments, which are listed on recognised stock exchanges, and stated at market value, comprised:

	2021 £	2020 £
UK fixed interest	-	-
Overseas fixed interest	-	-
UK equities	-	-
Overseas equities	-	-
Global equities	38,322	34,915
Alternative investments	-	-
Market value at 31 December 2021	<u>38,322</u>	<u>34,915</u>
Cost at 31 December 2021	<u>29,931</u>	<u>29,931</u>

The following investments exceeded 5% of the market value of the portfolio at 31 December 2021:

	2021 £	2020 £
Quilters Global Income and Growth Fund	38,322	34,915

Borde Hill Garden Limited
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Notes to the financial statements (continued)
For the year ended 31 December 2021

10. Debtors

	2021	2020
	£	£
Trade debtors (see note 17)	165,830	82,071
Prepayments	4,058	5,265
Other debtors	2,083	114,396
	<u>171,971</u>	<u>201,732</u>

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors (see note 17)	35,345	2,825
Taxation and social security	-	8,653
Accruals and deferred income	27,331	27,363
Other creditors	6,467	22,302
	<u>69,143</u>	<u>54,568</u>

12. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors (see note 17)	127,020	133,686
	<u>127,020</u>	<u>133,686</u>

Notes to the financial statements (continued)
For the year ended 31 December 2021

13. Employees

Number of employees	2021 Number	2020 Number
The average monthly number of employees during the year was:		
Trustees	5	4
Central and administration	25	18
	<u>30</u>	<u>22</u>
	2021 £	2020 £
Wages and salaries	179,575	136,448
Social security costs	7,118	5,342
Pension costs	2,274	1,590
	<u>188,967</u>	<u>143,380</u>

No individual employee earns more than £60,000 per annum. The total amount of employee benefits received by its key management personnel amounted to £25,240 (2020 - £23,406).

No trustees (or any person connected with them) received any remuneration during the year (2020 - £nil).

14. Funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Net gain on investments £	Balance at 31 December 2021 £
Restricted	82,012	-	(67,709)	(14,303)	-	-
Unrestricted	418,339	442,876	(723,141)	14,303	3,407	155,784
Total	<u>500,351</u>	<u>442,876</u>	<u>(790,850)</u>	<u>-</u>	<u>3,407</u>	<u>155,784</u>

The restricted fund comprises the Cultural Recovery Grant.

An amount of £14,303 has been transferred from Restricted to Unrestricted funds representing fixed assets purchased with monies from the Cultural Recovery Grant but where the assets are held for a general and not a restricted purpose.

Notes to the financial statements (continued)
For the year ended 31 December 2021

15. Analysis of net assets by fund

	Restricted	Unrestricted	2021 Total	Restricted	Unrestricted	2020 Total
	£	£	£	£	£	£
Tangible fixed assets	-	82,632	82,632	-	378,934	378,934
Investments	-	38,322	38,322	-	34,915	34,915
Debtors	-	171,971	171,971	114,396	87,336	201,732
Cash	-	59,022	59,022	(32,384)	111,983	79,599
Creditors due within one year	-	(69,143)	(69,143)	-	(61,143)	(61,143)
Creditors due after one year	-	(127,020)	(127,020)	-	(133,686)	(133,686)
Total	-	155,784	155,784	82,012	418,339	500,351

16. Operating lease commitments

At the reporting end date the company had outstanding lease commitment for future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within one year	2,257	2,257
Between two and five years	-	2,257
	<u>2,257</u>	<u>4,514</u>

17. Related party transactions

The R N S Clarke Will Trust owns the freehold interest to Borde Hill House and the gardens. The gardens and ancillary property are leased to Borde Hill Garden Limited at a peppercorn rent. This lease expires on 31 October 2121.

The R N S Clarke Will Trust has made an unsecured long-term loan to the company amounting to £72,500. The loan is subject to interest at 4% per annum commencing on 1 January 2015 and is payable annually on 30 September each year. The R N S Clarke Will Trust may demand repayment of all or any part of the loan principal and unpaid interest on 30 September 2018 (and then annually thereafter) provided at least 12 months (but not more than 24 months) prior notice has been given. During the year, interest of £2,348 (2020: £2,900) was charged on the loan. During the year, £nil (2020: £13,813) was repaid, leaving £58,687 (2020: £58,687) outstanding in other creditors.

During a previous year an interest free loan amounting to £100,000 was advanced to the company from Andrewjohn Stephenson Clarke, a director of the company. The amount outstanding at the year-end was £75,000 (2020: £81,667) in other creditors.

During the year the company incurred expenses of £1,727 (2020: £1,060) on behalf of Borde Hill Energy Limited, a company owned by Andrewjohn Stephenson Clarke. The balance outstanding at the year-end due from Borde Hill Energy Limited is £1,727 (2020: £1,060). This was paid in full in April 2022.

Following a decision for the company to cease all non-charitable trading activities a licence was granted to Borde Hill Events Limited, a company in which Andrewjohn Stephenson Clarke is a director and minority shareholder, to undertake these trading activities in exchange for a payment of rent and proportion of income generated from events held on the charity's leasehold land. During the year the company received income of £13,827 (2020: £8,052) from Borde Hill Events Limited and £379,162 (2020: £216,754) of income collected by Borde Hill Events Limited on behalf of Borde Hill Garden Limited in respect of admissions and tours. The company incurred expenses of £113,621 (2020: £64,769) on behalf of Borde Hill Events Limited and owed expenses of £45,694 (2020: £20,871) incurred by Borde Hill Events Limited on behalf of the company. The balance outstanding at the year-end due from Borde Hill Events Limited is £162,164 (2020: £80,216) and is included in trade debtors. The balance outstanding at the year-end due to Borde Hill Events Limited is £nil (2020: £1,490).

18. Post balance sheet events

On 20 September 2022, the company completed contracts to assign the benefit of its lease of Borde Hill Gardens with effect from 1 January 2022, and sell the goodwill, plant and machinery and leasehold improvements used to maintain the gardens and open it to the public to Borde Hill Events Ltd in exchange for Borde Hill Events Ltd taking on responsibility for the repayment of the loan from Andrewjohn Stephenson Clarke and all future obligations of the business.

Borde Hill Events Ltd has agreed that, notwithstanding the assignment of the lease to the gardens, to donate to the company all the rents arising from Ivy cottage for the period from 1 January 2022 through to 31 December 2023.